

*Hon. Samuel Hooper.*

FAILURES OF NATIONAL BANKS.

Mr. SAMUEL HOOPER reported the following

TESTIMONY

TAKEN BY THE

COMMITTEE ON BANKING AND CURRENCY

RELATIVE TO

NATIONAL BANKS.

MARCH 26, 1872.—Laid on the table and ordered to be printed.

WASHINGTON, D. C., February 12, 1872.

JOHN BULL sworn and examined.

By Mr. RANDALL :

Question. What is your name?—Answer. John Bull. I reside in this city; am secretary to a railroad company, and engaged in the prosecution of claims.

Q. Were you ever a bank-examiner?—A. Yes; I was appointed by the Hon. Freeman Clarke, Comptroller of the Currency.

Q. Did you, in the special discharge of that duty, investigate the affairs of the Tennessee National Bank, of Memphis?—A. I did, on the 24th day of August, 1866.

Q. How long were you investigating that bank?—A. On the 24th, 25th, and part of the 26th and 27th of August.

Q. Upon the completion of that report, did you furnish the same to the Comptroller of the Currency?—A. I mailed my report to the Comptroller of the Currency on the 24th day of August, 1866, to the Acting Comptroller.

Q. Who was acting Comptroller?—A. Mr. Hiland R. Hulburd.

Q. From whom did you receive directions to examine that bank?—A. From Mr. Hulburd.

Q. As Acting Comptroller?—A. As deputy and Acting Comptroller.

Mr. Bull exhibited the order to examine the Tennessee National Bank of Memphis, dated August 18, 1866.]

Q. Before you received the direction to go to Memphis, and before you went, Mr. Clarke, as I understand it, had resigned?—A. Yes.

Q. How long prior to that?—A. My recollection is that he had resigned about the day preceding.

Q. Did you keep a copy of your report?—A. I have already said that I made a report; I kept no copy of the report that I sent to the Comptroller.

Q. Here is a paper that has been submitted to the committee as your report, or a copy of it; please say whether it is a correct copy of your report.—A. It is neither my report, nor a copy of my report.

Q. Where should the original report be, Mr. Bull?—A. With the Comptroller of the Currency, I suppose. I am not aware where he keeps them. I can explain about that if the committee desire me.

Mr. RANDALL. Yes, if you please.

WITNESS. I made that paper on Wednesday a week ago, at the request of Mr. Hulburd. I told him I had no copy, but I would make something like what this part of (general remarks) was. I could not, at this length of time, make a correct state-



ment of the facts on the condition of the bank. You will observe I did not sign that paper, (the copy of the report,) nor did I intend it should be in the main. The figures are substantially correct.

By Mr. RANDALL:

Q. Will you explain to the committee in reference to the recommendations, &c., in this report?—A. I remember and can testify to several facts that I have stated there. It is put down here, (taking up the report,) under the head of "United States bonds and securities on hand," "\$72,500." I make a note, under "general remarks," "that it was short \$10,000; that the president was absent at the north." I recollect that fact, in examining the bank, that it was short. I made inquiries of the cashier concerning the deficiency of \$10,000, and he was unable to inform me what it consisted of, but that it was in the hands of the president, who, at the time of my examination, was at the north, said to be at Saratoga. The next item that I came upon was, "Due from other national banks," entered in the body of the report, "\$653,397 12." In my note on that, I give the list of banks where the bank had money on deposit. There is one bank in particular, the National Bank of the Metropolis, Washington, which owed it \$618,250. It is proper to state here that the National Bank of the Metropolis had two accounts with the Memphis Bank—one was for what appeared to be current business, on which the books of the bank showed that it was indebted to the Bank of the Metropolis in the sum of \$391,022 44; then a new account was opened, and they were charged with \$618,250. As a matter of course, that peculiar circumstance drew my attention to that account, and I ascertained, first, that that sum of \$618,250 was money belonging to the State of Tennessee. I ascertained that it was deposited on the 21st day of June, 1866, and that it had very soon thereafter been transferred to the National Bank of the Metropolis, in Washington. I also ascertained, in connection with that item, that Mr. Rutter had paid \$10,000 to procure the deposit.

Mr. RANDALL. I should like to obtain the permission of the committee to ask Mr. Bull if he knows to whom Mr. Rutter paid that \$10,000.

After some discussion the committee so agreed, and the question was put by Mr. Randall as follows:

Q. Do you know to whom that \$10,000 was paid?—A. I do not.

Q. The books do not show?—A. No. It was explained to me by the cashier a money paid to secure the deposits. He did not say to whom it was paid.

By Mr. MONROE:

Q. That is, the deposit by the State of Tennessee?—A. Yes, sir. I did not know at the time that it was the school-fund; I knew it was funds belonging to the State of Tennessee.

By Mr. HOOPER:

Q. Was it stated on the books that it was paid for that purpose?—A. No, sir.

By Mr. SMITH:

Q. Who was cashier at the time?—A. Walter S. Morgan, a young man.

By Mr. DOX:

Q. When was it made?—A. According to my memorandum, on the 26th of June 1866.

By Mr. RANDALL:

Q. Would not the books of the Bank of the Metropolis show when they became possessed of it?—A. I should think so.

Q. Do you know what security they gave?—A. I found no security whatever in the bank for the debt they owed to the Bank of the Metropolis.

Q. How was that debt incurred?—A. In order to know that fact more clearly, I took the account of the Bank of the Metropolis from their books.

By Mr. MONROE:

Q. This money was deposited by the Bank of Tennessee here?—A. Yes, sir. It was the entire amount.

Q. Are the motives for that brought out on the books?—A. No, sir. As I said before, the National Bank of the Metropolis had two accounts with the Memphis bank—one that had been running for some time, and then the new account. There were evidently very intimate relations between Mr. Hutchison and Mr. Rutter. The bank here was in trouble at the time. On my report, Mr. Clarke, who was then Comptroller, ordered them to suspend discounting, and to make daily reports to him.

By Mr. HOOPER:

Q. What time was that?—A. On the 24th, 25th, and 26th days of May, 1866, I made the examination of the Bank of the Metropolis, and upon that report Mr. Clarke



pended the discounting, and directed them to make daily reports. The reason was this: the bank owed to the United States at the time \$116,763 31. The Treasurer of the United States held as security for that amount bonds amounting to \$345,340. The Comptroller, in order to secure the Government, ordered the bank to suspend discounting and diminish that debt.

By Mr. MERRIAM:

Q. Did you in your report recommend the closing of the bank?—A. I have been endeavoring to recall to my recollection whether I made such a recommendation as that. I think I stated in my report that the solvency of the Tennessee bank would depend upon the solvency of the Bank of the Metropolis; and that I recommended him to put the bank under suspension, and have another examination made, say within thirty days; and then, if the condition of the bank was not improved, to put it into the hands of a receiver.

Q. Mr. Clarke, on your report, suspended the Bank of the Metropolis?—A. That was a private suspension; the public did not know anything about it.

By Mr. RANDALL:

Q. I find in this copy this item: "Dividend 15 per cent.;" was that paid to the entire stockholders, or was it paid in cash?—A. The evidence was, that up to the time of examination it had been paid to certain stockholders.

Q. Was there any credit made of dividends upon those notes?—A. Yes, sir. In the case of Whittemore, he had paid \$200, and received \$150 dividend. He received 15 per cent. on \$1,000.

By Mr. DOX:

Q. He was the one who admitted his responsibility?—A. Yes, sir.

Q. Did Collins receive?—A. No, sir; I do not think he did. I have a memorandum here—\$900 paid to ———, as dividend, and "that he paid nothing on account of stock, or gave a note therefor."

By Mr. RANDALL:

Q. Did you have any subsequent conversations, on your return to Washington, with Mr. Hulburt as to the condition of this bank?—A. I did.

Q. Will you give us the nature of those conversations?—A. I returned about the 8th of September, and made, as I now recollect, a supplementary report on the 10th. On or about the 10th of September I visited the Department, and had an interview with Mr. Hulburt. I told him that the condition of the bank was very bad. I do not remember what, if any, recommendations I made at the time. Mr. Hulburt informed me that Mr. Rutter had been to see him in the interval, and had made representations about the condition of his bank; that he charged the delinquencies of the bank to his cashier. He was absent at the time of my examination, and had presented himself at the Department here, and was endeavoring to mitigate with Mr. Hulburt the effect of my report.

Q. Your recollection does not warrant you in stating what your recommendation was as to what should be done against the Bank of Tennessee?—A. No, sir; I cannot recall what I said. I recall one item of that conversation, and only one. Mr. Hulburt informed me that Mr. Rutter had been here, and said to him that he had \$500 with him that was at his, Mr. Hulburt's, disposal. Mr. Hulburt asked me what I thought of such a proposition as that on the part of Mr. Rutter. I said to him, in reply, that if my report was not enough to damn the bank, that proposition was.

Q. Do you know whether that money was paid to Mr. Hulburt?—A. I do not.

By Mr. RANDALL:

Q. When was this conversation?—A. About the 10th or 12th of September.

Q. What action, after your conversation, did Mr. Hulburt take in reference to this bank?—A. I do not know. I do not know anything further.

Q. When did you cease to be an examiner?—A. On the 9th of March, 1867.

Q. You were never called upon again to examine into this bank, or the Bank of the Metropolis?—A. No, sir. I went from here to New York.

Q. What was your district?—A. I was first appointed for the States of Virginia and Maryland; then for the District of Columbia; then for the city of New York; then to Mississippi; I was subsequently sent to New England. I held various appointments, and for various districts. I went from Memphis to Vicksburgh, to examine a bank there that was supposed to be under a cloud. On my return I went to Richmond, where I examined a bank on the 14th of September, and on subsequent days several other banks. On the 8th of October I arrived in New York, and began examining in that city.

Q. Did you resign, or were you relieved?—A. I was relieved.



By Mr. MERRIAM :

Q. When was a receiver appointed for the Memphis bank?—A. I forget.

By Mr. RANDALL :

Q. Where was the money when it was lost to the State of Tennessee; in the Bank of the Metropolis, or in the Tennessee bank?—A. I do not know, sir.

By Mr. MONROE :

Q. Did Mr. Hulburt seem to be in any doubt as to what would be proper for an officer to do under those circumstances?—A. He expressed no opinion at all.

Q. Did he seem to mention the fact as an evidence of Mr. Rutter's demoralization?—A. Yes, sir.

Q. Not as if he wished to get your advice to whether he should accept it?—A. No, sir. He is a reticent man. He seemed to tell it for the purpose of showing the outrageous proposition that Mr. Rutter had made. It is due to Mr. Hulburt that I should say so.

By Mr. RANDALL :

Q. How soon after this conversation was Mr. Hill sent down to Tennessee as cashier?—A. I do not know, sir.

Q. How shall we learn that fact?

Mr. HOOPER. Here is a letter in which Mr. Rutter says that Mr. Hill entered upon his duties on the 23d of November.

By Mr. MONROE :

Q. Mr. Bull, I would like to ask a question. Have you any knowledge as to the appointment of Mr. Hill as cashier?—A. I have no knowledge only from common report.

By Mr. HOOPER :

Q. Having examined this bank and found it in such a condition, I suppose you felt some interest in its subsequent conduct. When the quarterly reports of the books were made, on the 1st of October, 1866, did you have the curiosity to examine the report made by this bank?—A. I do not recollect to have done so; it was not accessible to me. I was in New York, very busily engaged. I do not remember ever having examined it.

Q. Now, here is the report they made. Please look at it.—A. [After examination.] That shows the bank to be in a wonderfully changed condition.

Q. What is your opinion as to the correctness of that report?—A. I have no opinion on that subject, sir.

Q. Being a sworn report, do you doubt the correctness of it?—A. The answer to that question involves my opinion as to the veracity and integrity of the officers. If made and sworn to by Mr. Rutter, I should have no confidence in it. If by Mr. Morgan, I should believe it. I have confidence in him.

Q. Where can we find the supplementary report that was made to the Comptroller?—A. My recollection is that it was made on the 10th of September. I wrote a letter to the Comptroller.

Q. Have you got that letter?—A. No. I have no memoranda whatever about it. I do not swear positively that I wrote it to him, but my recollection is that I wrote such a letter. My recollection is that I transmitted a letter to the Comptroller on the condition of the Memphis bank.

By Mr. MERRIAM :

Q. Then this report that is sent here now, you would give no credence to it—th one handed you by Mr. Hooper?—A. I do not think it is probable that in so short time they could succeed in borrowing so large a sum of money.

By Mr. MONROE :

Q. How long after was this?—A. This was in October, and it was in August that I made my report.

By Mr. MERRIAM :

Q. When did you go to Tennessee?—A. I started about the 20th day of August, and got into the bank on the morning of the 24th.

Q. Do you know whether the Comptroller, Mr. Hulburt, had anything to do with the sending of the cashier?—A. I do not.

By Mr. MONROE :

Q. What were the circumstances under which you were relieved from your relation to the Department? Did it have anything to do with this inquiry?—A. Not that I am aware of.

Q. Were any reasons assigned?—A. No, sir; I found afterward that reasons were



said to be in existence. My information subsequently was that an enterprising gentleman wanted my place.

By Mr. RANDALL:

Q. Who was appointed as your successor?—A. Mr. Callender. I afterward found that there were some charges made against me—I knew nothing about it at the time—by some parties in New York.

Q. You were simply notified that you were relieved?—A. Yes, sir.

Q. Did the charges come from the banks?—A. No, sir, I think not.

Q. Individuals connected with banks?—A. My information is that they came from Mr. Callender. I was charged with having received a gold watch from a bank. I did not know it until afterward. I immediately sent to the bank, and got a reply from them that they had given me no gold watch. The only foundation for the charge was: a bank in New York had a gold watch which I had some idea of buying; they offered it to me for \$175, but I did not take it. The cashier has made affidavit that they sold the watch afterward. I have a memorandum here that might be of some interest. While holding the position of bank officer, I received as compensation from all sources \$2,259. I found I was getting so short, that I did not care to be a bank-examiner.

By Mr. MERRIAM:

Q. Were traveling expenses paid at that time?—A. No, sir. Some little allowances were made to me.

Q. You stated here that Mr. Hulburt consulted you in regard to Mr. Rutter's offer to him of \$500; have you any knowledge that he received any present from Mr. Rutter?—A. O, no; I have not. I would not like to be misunderstood on that point.

Q. What was said about it?—A. My opinion was that the bank should be put under suspension and called upon to make good their deficiency within a short time, to fulfill the requirements of the law. I made this report [the copy sent by the Comptroller to the committee] to oblige Mr. Hulburt, but I cannot say, with absolute certainty, that it is correct. I made it from my memoranda here. Here [producing paper] is a statement which was made for me at the time by the cashier of the bank. It was my custom, in making examinations, to ask the cashier to give me a statement of the condition of the bank, and then to go over the books for myself, and see whether or not it was accurate in all particulars. My memoranda induces me to think that the bills receivable were short, and that the cash was a little short; that the lawful reserve was deficient. The next item that I make a note of was concerning the capital stock paid in. The capital stock of this bank was \$100,000. I made careful examination to see whether it had been paid in, and I have memoranda very precise on that point. I took off a list of their stock-book, which I have here. The result of that examination was to show that \$40,700 had been paid in money, \$55,300 in notes, and for the balance nothing whatever.

By Mr. MERRIAM:

Q. Was there any collateral held against those notes?—A. I made a list which shows.

Q. Did you consider them as sound assets?—A. No, sir. I sent for some of the principal people who had given these notes, among the rest for Mr. V. H. Whitmore and Mr. ———, both of whom had given notes for \$10,000 each. Collins's note was endorsed by Wood, and Wood's note by Collins; and I understood that neither of them expected to pay; that the president wanted to make up the stock, and had told them they need not give themselves any trouble about it.

Q. This result was embodied in your note to the Comptroller of the Currency?—A. Yes, sir.

By Mr. RANDALL:

Q. If I understand you, you had previously to that reported upon the condition of the Bank of the Metropolis?—A.

Q. Have you any knowledge of Mr. Hulburt's ever having received any money?—A. No, sir.

WASHINGTON, D. C., February 17, 1872.

GEORGE R. RUTTER duly sworn and examined.

By the CHAIRMAN, (Mr. HOOPER:)

Question. State your name, residence, and occupation.—Answer. G. R. Rutter; my residence in New York; I am a salesman, a merchandise broker, selling goods on commission in New York for southern acquaintances.

Q. Where is your place of business?—A. No. 144 Pearl street.

Q. Are you connected with any one in business there?—A. No, sir.



Q. How long have you been in that business?—A. About eighteen months.

Q. Where did you reside before you went to New York?—A. In Memphis, Tennessee.

Q. What was your occupation in Memphis?—A. When I first went to Memphis, in 1859, I went into the house of J. D. Williams temporarily as a clerk.

Q. What is the business of that house?—A. Wholesale and retail dealers in dry-goods. Subsequently I went into the wholesale grocery business on my own account. During the war I made a great deal of money dealing in cotton. I established a brokers office in Memphis under the name and style of S. B. McClure & Co. I furnished the money, and simply took in McClure because he was a good business man and understood book-keeping. I met Mr. Hutchinson, cashier of the National Bank of the Metropolis at Washington, in 1865, and Mr. Hutchinson and I determined that we would start a national bank. He told me that if I would get up a lot of stockholders in Memphis he would aid in the organization of the bank, and furnish any amount of money that was necessary; he having about a million and a half of Government deposits at that time in the Bank of the Metropolis. We went on and organized this bank, I think in June, 1865. I am not certain as to the month, for I have tried to forget these things for certain reasons. We organized that bank, and the institution ran about two years, I think.

Q. What was the name of that bank?—A. Tennessee National Bank of Memphis.

By Mr. Cox :

Q. Were you connected with it two years?—A. I think so; I think it wound up in the latter part of 1867. I would like to remark here that that bank commenced under very favorable auspices, and up to the time that we became the fiscal agent of the western district of Tennessee, the bank was making money and doing very well. We became the fiscal agent of the western district of Tennessee through political influence. We were promised by the radical party of Tennessee that as long as we stood up for the party they would give us their whole strength; that they would favor the institution; that they would do all they could for it; would deposit their money and leave it there, and we were led to believe they would do so.

By the CHAIRMAN, (Mr. HOOPER :)

Q. Who were the stockholders in this bank?—A. I do not remember them now. I could not tell unless I had a list of them.

Q. How much stock did you own?—A. It required a thousand dollars of stock paid in to become a director in the bank. I subscribed for that amount and paid it in; subsequent to that time I took more. At one time I had standing in my name \$5,000. There may have been more; I do not remember.

Q. How much did Mr. Hutchinson take?—A. Ten thousand dollars.

Q. Go on and state any circumstances that you want to bring before the committee in connection with this bank.—A. I saw an article in the Herald that I think improperly reflected both upon me and other persons connected with the bank, and I would like to have the liberty to explain. I think that article was published in the Herald on the 10th instant. It was said to have come from the committee-room.

By Mr. Cox :

Q. Give the substance of the article.—A. The article stated that the Comptroller had made very damaging report in respect to the Tennessee National Bank. It also stated that I had gone off from the bank with some \$22,000 in currency of the bank, leaving the impression that I had never returned that money. That currency was returned every dollar of it, and a certificate to that effect made by the cashier. A copy of that certificate was sent to the Comptroller's office. Mr. Bull made an examination of the bank, and I afterward came on to Washington, and called to see the Comptroller and Mr. McCulloch, who was Secretary at that time.

Q. Who was Mr. Bull?—A. A bank examiner, sent out to Tennessee to examine that bank. Mr. Bull reported that there were some stock-notes given in by the bank which were held over, amounting to some \$45,000. The Comptroller and Mr. McCulloch told me that the capital stock of the bank must be made good. I told them I would go back to Tennessee and make it good. I went to New York, and met there Mr. W. J. Ford, a gentleman of wealth, from Memphis, worth a million and a half in property. He had a piece of property in Memphis, on South Court street. I told him that if he would become a stockholder to the amount of \$45,000, or at least to make up this discrepancy in the stock that Bull spoke of, I would be glad to have him do so. Mr. Ford agreed that he would give a deed to the bank of his property, a very fine double brick building, that would answer the purposes of a bank. I saw from the national-bank law that the bank had a right to hold its own property for banking purposes. We therefore purchased that property of Mr. Ford, and issued stock for it and I immediately reported the same to the Comptroller's Office.



By the CHAIRMAN, (Mr. HOOPER:)

Q. How large an amount of stock was issued to him?—A. I think \$45,000.

Q. Then you never received any money for that stock?—A. We took the property in exchange, and issued stock to him to that amount. It was a *bona fide* transaction. I reported the transaction in person to the Comptroller and to Mr. McCulloch; and, I think, I also reported in writing. I have no doubt I did.

Q. How was that property held? For instance, I see by the report of the bank, in October, 1866, there is no mention made of this amount of real estate. Did this occur previous to that time?—A. I reckon that property was represented as real estate at the time it was paid in.

Q. You stated that Mr. Bull made that report?—A. Yes, sir.

Q. That report we know was made about the middle of August.—A. This was immediately after that report was made. The Comptroller knows that, and will tell you that, I reckon. It may have been left over till the next quarterly report. At any rate, this stock was issued and this property was put in lieu of what was not before paid in. These were the facts.

Q. When was that done?—A. Immediately after Mr. Bull's report. That is my impression about it. As I said a little while ago, I have been troubled a great deal about that bank, and broken up and ruined by it, and I have tried to forget the whole thing; and I really cannot recollect all the dates and circumstances connected with it.

Q. After Mr. Bull had made his report, did you get anything from the Comptroller's Office in reference to that report?—A. I did.

Q. Do you remember the date?—A. I do not.

By Mr. MERRIAM:

Q. How did you get a copy of his report?—A. I think Mr. W. A. Hill, cashier of the bank, showed it to me. He was subsequently the receiver of the bank.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Do you mean to say that you received no communication from the Comptroller in reference to the report of Mr. Bull?—A. I could not say positively. I could ascertain that fact if it is important that you should know it.

By Mr. COX:

Q. Did you write a letter to Mr. Randall?—A. Yes, sir.

Q. State the substance of that letter to Mr. Randall.—A. I don't remember; I shall have to see it first.

Q. State, as nearly as you can, what was the subject-matter.—A. I wrote to Mr. Randall, as far as I can recollect, that certain Government officials had acted very improperly in connection with this bank. That is the substance of it.

Q. Did you name anybody?—A. No, sir.

Q. In that letter did you say anything about your desire to make a statement to the Committee on Banking and Currency?—A. I do not think I did, but I do not remember.

Q. Have you any such desire now, or have you had?—A. To tell the truth, I would rather be relieved from the whole—

Q. Please answer my question.—A. You asked me if I have a desire. I told you I have not any desire.

Q. Have you not had? It is necessary we should have the facts.—A. If I had any desire, it was to promote the public good, and none other.

Q. I am not asking you about the motive, but about the fact. What was your object in writing to Mr. Randall? How could you promote the public good, unless you have some statement to make?—A. Well, I have a statement to make—several of them.

Q. That is what we want you to make.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Mr. Rutter stated, if I understood him correctly, that that real estate proceeding was in consequence of some communication from the Comptroller requiring him to make up the capital stock of the bank?—A. Yes, sir.

Q. But you have stated that you do not remember any communication?—A. I have told you that the Comptroller and the Secretary made the statement to me personally in Washington.

By Mr. COX:

Q. Did you state to Mr. Randall that you desired to ventilate anything in connection with the Comptroller?—A. I don't remember that I mentioned the Comptroller's name in the letter.

Q. Did you say the Comptroller and other parties had robbed you, and you desired to make a statement to ventilate it?—A. Well, you have the letter. I do not want to confuse myself. I have a right to see the letter, and therefore I do not want to answer the question.



Q. How long since the letter was written?—A. Some weeks.

Q. Is that your handwriting? [Letter examined by witness.]—A. Yes, sir.

The following is a true copy:

“NEW YORK, December 20, 1871.

“DEAR SIR: I see from the papers you are upon a committee to examine into national bank affairs. I have had a talk with a leading gentleman here, who advises me to write you at once upon the subject. The *facts* I have are in relation to Mr. Hulburd, the Comptroller of the Currency, and his *special agents*, relating to southern national banks, including Mr. Davis's dirty work, as present receiver of the Ocean National Bank of this city. I have the proof that Hulburd, and his receiver and special agent, *blackmailed* directly money and property from myself, while I was president of the Tennessee National Bank of Memphis, Tennessee, &c., &c. I expect to go South in a very few days, and if you wish my information, it should be had at once. Through his rascality, and others, I was financially ruined, and am very poor now. Consequently, having no interest in public affairs, some remuneration would be expected for my time and trouble, and for this purpose would come to Washington, if you wished me, at once. Please let me hear from you at once, and be kind enough to treat this communication confidentially until further interview.

“Yours, &c.,

“GEO. R. RUTTER,

“Post-office box 3832, care of R. P. Salter & Co.,  
“144 Pearl st., New York City.

“Hon. SAM'L J. RANDALL.”

(The above letter was written with a pencil.)

Q. Will you please state now what you meant by the facts in relation to Mr. Hulburd, which you proposed to disclose in that letter?—A. Well, sir, through the intriguing of politicians in Tennessee that bank got in a very bad shape and very much mixed up. As I said before, we became the fiscal agent of the western district of Tennessee through political influence, and after we got this deposit from the State of Tennessee, various applications were made for loans, from sixteen or seventeen members of the legislature of Tennessee, besides others from some Government officers in that State, giving us to understand that if we did not lend them money they would take this deposit from us. They wrote me some twenty or thirty letters asking for money and requesting it.

Q. What was the amount of the deposit?—A. Six hundred and eighteen thousand two hundred and fifty dollars.

Q. What was the nature of it?—A. We were the fiscal agent of the western district of Tennessee, and there were some bonds deposited in the bank; some of them were called the school-fund, and others the assets of the bank of Tennessee. I do not say how they could specify the amounts of the different sums. Finally, these men kept making such demands that I determined that we had better close up the bank rather than give it all away, and allow ourselves to be blackmailed in that way. It had been my purpose to continue the bank. I wanted to continue it, and was striving very hard to do it. Finally, I was indicted for stealing something over \$600,000, in the court at Nashville. I was indicted through the instrumentality of Mr. F. S. Richards, who had written me seven or eight letters demanding money, and asking for money, and I think there were also some from the principal, I think he is, or has something to do with the Government school. Rev. John Eaton and others determined to make a scape-goat of me, and, if possible, break me down in order to escape themselves. I gave bond in Memphis for my appearance in Nashville for the sum of \$2,000. I explained the matter to the judge, and said there was nothing in it, and he did not want to hold me in any very large amount. The legislature was in session and sent to have me brought before a legislative committee at Nashville. I went to Nashville, and arrived there the day I had to appear on this indictment to be tried. I went to the court-room and presented myself, and told them I was ready, and my counsel was present. I was given to understand that the legislature wanted me, and that for the present I would not be tried on that indictment. I went before the committee of the legislature—a senate and house committee. The State had employed as counsel Hon. Edward H. Leach. I produced before the committee these letters from certain members of the legislature of Tennessee, and from certain State officials. They kept me there some five or six days. These letters were published, and Mr. John Eaton, who now lives in Washington, was tried, as was also Mr. Samuel Arnold, the speaker of the house, for their proceedings in connection with this bank; and other letters to me were produced and read as evidence. After the examination was completed I was informed that they had no further use for me. I went home, and the court finally agreed to acquit me of all those charges, the State paying expenses. I was acquitted and relieved from the disabilities, in connection with the bank, as far as the State deposits were concerned. There was a committee appointed by the legis-



ture, at my suggestion, to go down and visit the bank at Memphis, composed of three members of the house and two of the senate. They came down and drew two checks upon the bank; one for \$350,000, and the other for the balance of the \$618,225. I paid the \$350,000 in money, and they took our obligations for six, twelve, or eighteen months for the balance. I hoped the bank might recuperate in the mean time. I communicated these facts to the Comptroller.

Q. In what year and month did you write to the Comptroller?—A. It was about the time the bank went into the hands of the receiver our collections were withdrawn. The depositors began to be suspicious, and withdrew their deposits until every hope of recovery was dissipated, and we found we could not do anything. The committee that came down from Nashville examined the books and papers of the bank, and made a report to the legislature of the State that "Mr. Rutter had afforded them every facility to examine the affairs of the bank, and that his conduct and deportment through the whole investigation was exceedingly proper and correct, and that they found no cause of complaint, nor any ground of crimination whatever." This report was published with the proceedings. Finally I came on to Washington to see the Comptroller, and told him the whole state of the affairs, and that I had paid this money.

By Mr. Cox:

Q. The committee drew out the \$350,000?—A. Yes, sir.

Q. At what time?—A. It was at the time they made the investigation. They had in order to draw out the whole of it; that is, all that the members of the legislature and the executive officers of the State did not get. I came on to Washington, and I had a talk with the Comptroller; told him, "I think we had better go into liquidation and wind up all our affairs." It was finally thought best that the bank should go into the hands of a receiver. Previous to that time Mr. Hill had been introduced to me by Hulburd in Washington, at the Treasury Department, as a fit man to become a cashier in that bank. We saw, immediately after this, trouble with the State authorities. I cannot give the day. It was probably six or eight months before the bank went into the hands of a receiver. It was, I think, in the latter part of 1866.

By the CHAIRMAN, (Mr. HOOPER:)

Q. When did the legislative committee first come down there to draw the money on those checks?—A. They came down in June or July, 1866; I cannot remember exactly.

By Mr. Cox:

Q. I think you had better go on and give your interview with the Comptroller.—A. Mr. Hill, as I said before, was introduced to me in Washington, and subsequently came down to Memphis and became cashier of the bank, and subsequently a receiver of the bank. Mr. Hill told me that he wanted his salary, as receiver, to be \$3,000 a year; that he had to give the Comptroller part of his salary. That is the statement of W. A. Hill. I don't know whether he did or not, but he told me he did. I have subsequently, however, understood that he got no such salary for his services. I think he only got about \$1,600. I am inclined to think from recent information that Mr. Hill did not give any money to Mr. Hulburd.

Q. Have you received that information since you came to Washington?—A. Yes,

By Mr. MERRIAM:

Q. From whom did you receive this information since you have been here?—A. I understood so from Mr. Hulburd. My conversation with him relieved the impression that he had received any money from Hill; that was since I have been here this time.

By Mr. Cox:

Q. Is that the only basis of your statement when you speak of the facts you have in relation to Mr. Hulburd and the special agents?—A. No, sir; I am not through yet.

Q. State the rest.—A. Mr. Hill wrote me in all about twenty-five letters. After he came I was in very poor health, completely shattered in body and mind. I went off to the springs in Alabama, to get away from Memphis, and tried to build myself up. Mr. Hill arrogated to himself, as being receiver of the bank, a great deal of power and authority, and intimated that I had used the funds of the bank for myself, which I never did, for I came out of the bank a pauper, without any money at all. I found myself perplexed right and left, and did not know what to do; and I suffered myself to be blackmailed out of sums of money by Hill. He wrote me several letters for money, and said he wanted to set up his son in business. I told him, "You imagine that I am worth a good deal of money; but you are mistaken. These politicians and lawyers, like you among the rest, have taken all the money I have." But Mr. Hill kept up his intimations about what he was going to do, intimating that he had great power and authority, and that the Comptroller would back him up in his operations in blackmailing me out of the money.

Q. How much did you pay him?—A. He wrote me about twenty-five letters. They



are now in the hands of the committee of the legislature of Tennessee, and can be had at any time, and showing how he demanded money of me.

Q. What was the consideration?—A. There was no consideration, except that he knew that I was president of the bank and was under arrest, and he arrogated to himself the authority to give me all the trouble he could.

Q. Did you pay him money?—A. Yes, sir.

Q. How much?—A. I suppose he has got \$11,000 from time to time—that is, after he became receiver. I met him here at one time when he had not a decent suit of clothes, and I took him to Devlin's and gave him a suit of clothes. I believed at the time that the Comptroller had forced Hill upon me. I did not understand it at all.

Q. Out of what fund did you pay this \$11,000?—A. Out of my own funds.

Q. Money you had made in the bank?—A. No, sir; I made some \$85,000 about the time the bank was organized in cotton. My income was \$75,000 a year before I saw the Tennessee National Bank. I had money of my own.

Q. Is that all you meant when you spoke of the special agents and the Comptroller?—A. No, sir.

Q. Go on.—A. When in Washington, Mr. J. W. or J. T. Howenstein, chief clerk of the Treasury Department, was sent to Memphis for the Currency Department, as a special agent to examine this bank. This was prior to the appointment of the receiver. There were about two weeks between the time of his examination and that of the receiver. Mr. Howenstein came to Memphis, and, like Mr. Hill, he commenced his operations of demanding money, and money was paid to him by me, in all about \$2,700. He said a part of it was for Government officers in Washington.

By Mr. MERRIAM:

Q. What reason did he give for demanding the money?—A. He gave no reason except as he had examined the bank, and gave me to understand that he was vested with that sort of power and authority that, unless money was paid him, he would give me trouble. That was the reason I paid. Not only that, but I have five letters of his, written by himself, still further demanding money.

Q. Where are they?—A. They are in the hands of the legislature of Tennessee, on file. They were produced on my examination at that time.

By Mr. COX:

Q. Are they in the custody of the secretary of state?—A. I think the secretary of state has charge of them.

Q. Were they letters making demands upon you?—A. Yes, sir. He wanted money to set up his son in business in St. Louis.

Q. Then you gave it as a sort of hush-money?—A. No, sir. There was no transaction between Mr. Howenstein and myself that I am not willing shall be known, except that I have made a fool of myself in squandering money and allowing money to be taken from me.

Q. You did not consider it a loan, but an absolute payment?—A. I did not consider it a loan. I took no note or anything from him. I did not make any memorandum of it.

Q. Did you draw checks, or give the money?—A. I gave the money, from time to time.

Q. Do you remember what sums?—A. I do not remember. The first amount I gave was \$500. If you wish to establish the fact you can find these letters.

Q. Did you make a full statement to the committee?—A. Yes, sir. It was reduced to writing and published in pamphlet form.

Q. Do you know where Mr. Howenstein is now?—A. He is cashier in a bank in St. Louis, recently organized.

Q. Is it a national bank?—A. I think so.

Q. How long since he was appointed to that position?—A. I do not know. I only understood he was cashier of a bank since I came here to Washington.

Q. Do you make any connection between Mr. Howenstein and the Comptroller?—A. No, sir. I have only Mr. Hill's word for it. I have no right to state that Mr. Hulburd had anything to do with Hill, because I do not know it.

Q. You say you have paid money to Hill?—A. Yes, sir.

Q. Was that one of the reasons he gave you for demanding it, that he was to divide with Mr. Hulburd?—A. He told me he wanted to divide his salary as receiver.

Q. What other reason did he give you, when getting money from you?—A. They would write me letters, and would insinuate things in them, as to what he would do. They are in Nashville, and in them he would ask for money; but would always express himself in such a way that I could not positively show them. They are very adroitly written.

Q. Why did you pay that?—A. Simply because I was in trouble, and he arrogated authority and power to give me more trouble, and he meant to cause the Comptroller to take some criminal proceeding against me.



By Mr. MONROE:

Q. Do I understand you that he stated that Mr. Hulburd was to share with him?—  
A. He did, as to his salary as receiver; he so stated more than once.

By Mr. WALDRON:

Q. Were you a debtor to the bank when Hill was receiver?—A. Yes, sir.

Q. Were not these payments made on that account?—A. No, sir; they were personal matters entirely.

By Mr. COX:

Q. How much had you owed the bank?—A. I do not remember.

Q. Were any of these sums put down to your credit?—A. No, sir; of course not. I was indebted to the bank when I left it. I had been using the money for purposes that I am very sorry I used it for, now; I did it very foolishly.

Q. Is there anything else in this connection that you can state?—A. I do not know of any other things his agents did, sir. I would like, however, to mention one thing. This is a legal subject, though, in reference to a deposit made in the National Bank of the Metropolis, and I will mention it here. Immediately after these \$618,225 in United States bonds were sent to Washington and deposited in the National Bank of the Metropolis, a certificate and receipt were taken for them as a special deposit. We did not purpose to use the bonds at all; that is, we did not purpose to sell them. Mr. Hutchison told us that if we would allow them to remain with him, he would permit us to draw money; and we owed that bank probably forty or fifty thousand dollars. We deposited the bonds in that bank, and I afterward found, to my surprise, that he had taken them to New York, and hypothecated them in other banks in New York, for money. Part were in the Broadway Bank and some in the First National Bank. I came to New York and followed him round there a week, he telling me he was going to pay the money. I said the State was going to draw for the funds, and we must have them. He told me he was going to do it, but really was deceiving me. Finally we found a part of them. After that thing had been done, we went to work and sold the bonds to Jay Cooke & Co., and gave our bank credit for the proceeds. We drew a check on Hutchison for the amount, and employed a brother John Sherman to go and see Mr. Hutchison in regard to our claim against the bank, and take some sort of collaterals for it. Mr. Sherman did go there and secured the best collaterals he could get, the amount having been reduced to some \$9,000. That bank went into the hands of a receiver very soon after, and Mr. Theodore Davis, of New York, was appointed to take charge of its affairs. Had the cashier of the bank in Memphis done his duty, instead of, as I heard in Memphis, allowing himself, when he was receiver of the bank, to be paid off in the sum of \$5,000 not to prosecute this claim against the Bank of the Metropolis I believe the Tennessee bank would have got the money. But the thing went along, and no action was taken in reference to our claim at all. The thing seemed to be perfectly quiet, and the Bank of the Metropolis was allowed to go into liquidation without paying this claim at all. I don't understand how a bank with a claim of \$39,000 against it can go into liquidation and wind up its affairs, without paying its debts.

By Mr. MERRIAM:

Q. When Mr. Hill was appointed cashier, did you make any application to the Comptroller for a cashier?—A. I came to Washington, and had a conversation in reference to the matter, and he designated Mr. Hill as being a good man to take charge of the bank in the condition that ours was in—in a very bad condition, certainly. I required a man of more experience in banking, for I had none. Probably if I had, we would not have got the thing mixed up. To tell the truth, I don't think I was competent to take charge of the affairs of a national bank.

Q. Did you pay any officer of the Government money for furnishing that cashier to you?—A. No, sir. It has been reported that I made an affidavit that I paid \$500 to secure me a cashier. I simply state that I made no such affidavit; I say that in justice to the Comptroller. There was no money paid him for any purpose at all. I don't see how such a statement could be made. I know I never made such a statement, either under oath or any other way.

By Mr. COX:

Q. Did you ever give pay, money or otherwise, in consideration of securing a cashier?—A. No, sir. I never paid any money at all to Mr. Hulburd, for any purpose.

By Mr. MERRIAM:

Q. Have you ever made any purchase that you have made him a present of; and if so what amount?—A. I don't think—I rather not answer these questions. These are personal matters.



By Mr. COX:

Q. They are the most important matters that we have before us. If your object is the public good, we want them.—A. My object is not only that, but to set myself right for I am laboring under disabilities. One object was to put myself right before the public. I have not only suffered losses in reputation, but I have desired to put myself right.

Q. You do not answer my question. It must be answered in justice to the committee, and especially to Mr. Hulburd. Since this matter has gone so far, you must state the whole truth in relation to him.—A. What question have you to put to me?

Q. The question of Mr. Merriam should be answered.—A. I gave Mr. Hulburd a carriage in Washington.

By Mr. MERRIAM:

Q. What else?—A. A harness.

Q. Anything more?—A. No, sir; I gave no property of any sort.

Q. What was the cost of this carriage and harness?—A. Some six or seven hundred dollars; I don't exactly remember.

Q. Do you remember the date?—A. It was about the time Mr. Hill was appointed cashier, I think.

Q. Before or after?—A. About that time. I think it was after. Neither had it any connection with the appointment of Mr. Hill as cashier.

Q. State all the circumstances to the committee.—A. It happened about that time.

By Mr. DOX:

Q. What was the consideration that prompted you to do it?—A. There was no consideration at all. I do not want to leave any wrong impression in regard to Mr. Hulburd.

By Mr. MERRIAM:

Q. State when and why you bought the carriage and harness.—A. I gave it to him here in this city. I bought it on Pennsylvania avenue somewhere or other.

Q. Did you do it at his solicitation?—A. Well, sir, we talked the matter over. I don't remember whether it was directly—. I gave it to him because I saw fit to do it.

Mr. HULBURD. I wish Mr. Rutter would answer every question promptly.

By Mr. MERRIAM:

Q. We want all the circumstances; when and where, and why it occurred.—A. I gave it to Mr. Hulburd. He wrote to me to come on to Washington to correct certain irregularities in the Tennessee National Bank. I came on in accordance with that letter—in response to that letter. And this presentation occurred at that time. Mr. Hulburd called at Ward's Hotel to see me in my room. We just simply walked down Pennsylvania avenue. I think, to Young & Brother, and bought the carriage and gave it to him.

Q. What was the firm?—A. I think it was, Young & Brothers.

By Mr. SMITH:

Q. Was anything said about the carriage before leaving the hotel?—A. I don't think there was.

Q. How happened you to go directly from the hotel to the carriage-shop and make the purchase?—A. I don't know how it was exactly. I did not know where the carriage-shop was at all; but we were going by, and saw the carriage.

Q. What made you think of presenting a carriage to him when walking by a carriage-shop?—A. I supposed that Mr. Hulburd would like to have a carriage.

Q. What led you to suppose he would like to have one?—A. I supposed so from a general deportment in reference to it.

Q. In reference to what?—A. In reference to this carriage business.

Q. Will you simply state all the connection in reference to the carriage?—A. I gave Mr. Hulburd the carriage, and presented it to him because—

Q. Had he asked you to do so?—A. He intimated he would like to have a carriage.

Q. Did he make any promise to you?—A. No, sir; he did not promise.

Q. Did you think of buying peace?—A. I really thought at the time it was improper on the part of Mr. Hulburd.

Q. You did not give it exactly as a voluntary gift?—A. No, sir; I did not.

Q. Did Mr. Hulburd intimate to you that he would like to have one?—A. Yes, he did.

Q. What did he say?—A. I don't remember the conversation. A man can intimate a good deal without expressing himself very clearly.

By the CHAIRMAN:

Q. Did you start out for the purpose of going to this carriage place?—A. I don't think we did; I don't remember positively as to that.



Q. Who selected the carriage?—A. I think we both had something to do with it.  
 Q. Do you know whether Mr. Hulburt had ever been there before—to this carriage-shop?—A. I paid for the carriage with my own personal money.  
 Q. The question was, whether Mr. Hulburt had been to that shop before with a view of purchasing a carriage?—A. I do not know of his having been there.

By Mr. MERRIAM :

Q. Evidently you had a special love for Mr. Hulburt at the time. What were your special motives for presenting a carriage and harness ; what gain was Mr. Hulburt going to confer upon you or your bank, that he should accept this ?—A. I supposed at that time that Mr. Hulburt was very much like Hill and Howenstein, and the balance of them.

Q. What did he say to you, that led you to infer that?—A. Nothing at all, except—just simply inferred so from his general deportment and conversation.

Q. What occurred immediately before or immediately afterward in connection with your bank ? Was this about the time the cashier was sent there ?—A. Yes, sir ; about that time.

Q. What were your impressions in regard to the motive in sending this cashier there ?—A. Well, sir, I supposed when the cashier was sent there to Memphis, he was sent there as the tool of the Comptroller ; that is exactly what I supposed.

By Mr. HULBURD :

Q. Where were you when Mr. Bull examined the bank ?—A. I think I was in New York, probably, or Washington ; I do not remember.

Q. Where had you gone, and signed these notes ?—A. I subsequently brought this office to Washington.

Q. How soon did you know the bank had been examined without your knowledge ?—A. I don't remember ; I think the first information I had of that was here in Washington. I don't remember anything as to the signing of these.

Q. I know that you had official information.

Q. You don't recollect the date when this carriage was got ?—A. No, sir ; I do not.

Q. And you don't remember when Mr. Hill went to Memphis as cashier of the bank ?—A. No, sir.

Q. You think they were about the same time ?—A. I think that they were near the same time.

By Mr. Cox :

Q. Have you completed all you propose to say about the carriage ?—A. Yes, sir ; I do not wish to say anything further.

By Mr. MERRIAM :

Q. Can you give the date of Bull's examination of the Tennessee National Bank in 1866 ?—A. I am told he examined the bank in August.

Q. Were you in Memphis at the time ?—A. No, sir.

Q. How soon after that examination did you return to Memphis ?—A. I think it was as soon as I heard of it.

Q. How long after that examination did you come to Washington ?—A. Very soon.

Q. Did you have an interview with Mr. Hulburt ?—A. Yes, sir.

Q. Was the subject of Bull's report discussed ?—A. Yes, sir.

Q. Do you know that he afterward made a supplementary report ?—A. A report of some sort was handed to me, of the Tennessee National Bank. But the Comptroller, when this subject was discussed, informed of his intention to take no action in regard to the same. The Comptroller told me at the time that he found some discrepancy about the capital stock of the bank, and he and I went into the room of the Secretary, Mr. McCullough, and talked about that one item of the capital. I assured Mr. McCullough that I would see that the stock was all right, and I subsequently did make the purchase of this property, and made it all right.

Q. You had a copy of Bull's report in your own possession afterward ?—A. Yes, sir ; I do not know where it is now.

By Mr. DOX :

Q. Where did you get that ?—A. The cashier, Mr. Hill, showed me the report.

By Mr. MERRIAM :

Q. Did you give any clerk of the Treasury Department any money, and if so, for what purpose ?—A. Mr. Howenstein had some.

Q. Was he the only one ?—A. The only one in the Currency Bureau.

Q. Was there any other ?—A. I gave a man some money, a clerk there, who has since died. I would rather not say anything to reflect upon his family or any one connected with him. It was in connection with United States deposits.



By the CHAIRMAN:

Q. Do you know in what bureau of the Department?—A. He was connected with United States deposits in national banks.

By Mr. Cox:

Q. What was the consideration for giving him money?—A. That is a question that might possibly involve myself, and I prefer not to answer.

Q. We have a right to insist upon an answer.—A. It was nothing more nor less than allowing a large amount of Government deposits to remain in this bank. I made him presents in money, and he allowed it to remain. He could have transferred it, if he saw fit, into any bank that he wanted to. He had no official relation to Mr. Spinner in any way, but he had the power and authority to use favoritism, and he could allow money to remain in this or that bank, and at the same time not violate the law. Mr. Spinner knew nothing about these transactions.

Q. He did favor your bank?—A. Yes, sir; it was customary to do so. He favored the National Bank of the Metropolis in the same way.

Q. How did you approach him? State the conversation you had with him on the subject.—A. He approached me. We had large amounts of Government deposits to our credit in the bank, and he allowed them to remain.

Q. Did he ask you for money?—A. No, sir; I just simply gave him \$500.

Q. Where was this transaction?—A. In his office, right at his desk.

Q. In a check or money?—A. I gave the money.

Q. Did he ask you for the money, or did you propose to give it to him?—A. He did not ask me.

Q. What did you say when you gave it to him? Did you say you wanted to be favored?—A. No, sir.

Q. What was the conversation?—A. There was very little conversation. Men don't talk about——. This man understood it, and so did I. I paid the money and got the favor; and not only that, we paid every single dollar to the Government of the United States when this bank wound up. But we owed on individual deposits; we had good many from poor people, and I sat up all night in the Tennessee National Bank and ordered the book-keeper to make out memorandum checks for every individual depositor, and I then ordered the teller to put them in document envelopes, and I paid them all.

By Mr. MERRIAM:

Q. You paid money to that young man and got your pay for it?—A. Yes, sir.

Q. You paid your money for the carriage and harness for the Comptroller; now what favor did you get in return?—A. I just simply believed that if I had not done this should have been prosecuted.

Q. For what?—A. I don't know; I was in trouble; a man's perceptions about the things—I so understood.

By Mr. Cox:

Q. Did you ever make use of money out of your bank illegally?—A. Never a dollar.

Q. You were reluctant to testify in reference to this clerk. Why? Because it would criminate yourself?—A. No, sir; except it might be considered a bribe of this man.

Q. Was that the reason for the reluctance? Did you consider it so at all?—A. No, sir; I did not, because it was a common thing, and I supposed I might as well do so as anybody else.

Q. In your letter you speak of proof that Hulburd, the receiver, and special agent blackmailed you. Have you anything further to say about that?—A. I did not know whether Howenstein gave Mr. Hulburd part of the money, or not; all I knew, they said they had to do it and were going to do it. I simply have their words for it.

Q. Did you state what became of this carriage?—A. I do not know where it is.

Q. What became of it?—A. I suppose Mr. Hulburd has it.

By the CHAIRMAN:

Q. Did he ever offer to return it to you?—A. Yes, sir.

By Mr. MERRIAM:

Q. When?—A. He offered to do so, through Mr. Davis, of New York.

Q. When?—A. It must have been about a year ago, I reckon.

Q. Did you refuse to accept it because it was worn out probably, and the harness was old?

A. Well, sir, I did not accept it.

By Mr. Cox:

Q. State all about this.—A. I have nothing more to state.

Q. Is that all the transaction, that he offered to return it and you refused it; is that all?—A. Well, there is this connected with it. I had written a letter to Mr. Hulburd for money; asking him to loan me some money; and



Hulburt did loan me some money—a couple of hundred dollars, probably. As I told you in the outset. I was completely prostrated, with a family on my hands, my reputation and character damaged; and I have been treated like a robber since; and it is a very difficult thing for a man to get employment, especially if he is out of money. From what I had heard, I supposed Mr. Hulburt, under all the circumstances, might be able to pay me back a little of that money, as I needed it pretty bad.

Q. Is that your handwriting?—[Paper handed to witness, marked B.] A. Yes, sir. I know all about it. I wrote it except the paragraph signed by Mr. Davis. I thought that since Mr. Hulburt had, by insinuation, caused me to purchase a carriage and harness for him, and I never got any consideration for the same whatever, and being under no obligation to make Mr. Hulburt a present in any manner, shape, or form; and because he had this property from me without a consideration and under peculiar circumstances; and because the receiver, W. A. Hill, had stated to me time and again that he had forwarded to the Comptroller sums of money, a portion of his salary as receiver—I determined that Mr. Comptroller Hulburt could assist me a little. Therefore I did not want to damage Mr. Hulburt—I applied to him for money, and told him my condition and the condition of my family, and that they were absolutely in a suffering condition, and I at the same time in rather poor health. But I applied to him for this money that had been procured from me under improper circumstances and improper motives on the part of the Comptroller. I certainly should not have given the Comptroller a carriage and harness unless I had been intimidated by him to do so, and therefore I did it.

By Mr. MERRIAM:

Q. You state that you should not have given Mr. Hulburt a carriage and harness unless you had been intimidated to do it?—A. No, sir. That was my understanding, that, unless I had done it, under that influence—in connection with my affairs with the bank. I did draw a draft on Mr. Hulburt. Thinking over the charges, and liable to trouble from the mismanagement—it was certainly very badly managed, but it was more on account of incompetency than criminality—I did draw a draft on Mr. Hulburt, and wrote him several letters.

By Mr. COX:

Q. Is this one of your letters?—[Letter handed to witness, marked C.]—A. Yes, sir.  
Q. Explain what you mean by intimidation?—A. I mean to say that the Comptroller gave me to understand that unless I gave him something I would have trouble.

By Mr. DOX:

Q. Did Mr. Hulburt, by words and acts, intimidate you?—A. Well, sir, I judged from the tone of the conversation that I had with him—I would not do Mr. Hulburt injustice about that thing—I simply judged so; he did not ask for a carriage.

Q. Did he tell you so?—A. I did not say he told me so.

Q. What did he say?—A. By some means or other, I was made to understand it, as I have stated; I cannot say anything more; I was made to understand it.

Q. Why did not you come here from New York, in response to this summons, at once?—A. I did come immediately; came that night.

By Mr. MERRIAM:

Q. Was there any person who tried to induce you not to come? If so, who?—A. Well, sir, Mr. Davis, the receiver of the Ocean National Bank, told me he thought I better not come over here.

Q. Why not? What reason did he give?—A. He did not give any reason at all.

Q. What did he say?—A. He simply said he thought there would be no use in coming.

Q. Did he offer you any money if you would not come?—A. He implied as much.

By the CHAIRMAN:

Q. What do you mean by “implied”?—A. I mean he gave me to understand I would give some money if I did not come.

By Mr. DOX:

Q. How; by word, declaration; did he state that?—A. Said he, you can only get out, and it will cost you twenty for expenses, and you will make but thirty; and I expect if you stay here there will be a nought added to it. That is about the substance of it; and if I would write a certain letter—

By Mr. MERRIAM:

Q. Was there any one who prompted you to write this?—A. I wrote a draft on Mr. Hulburt for \$500, and referred to Mr. Davis. I drew it, because he had property for which he gave no consideration. He referred me to Mr. Davis. I went to Davis's office, Mr. Davis having first written a note to me to come and see him. I knew what



it was about, and sent Mr. Copeland to see him. Mr. Davis declined to see him, and said he would not talk with any one but Rutter. When I went, Davis said, "I don't know whether to arrest you or to give you money." I said, "You can arrest me if you want to;" that I was not afraid of his arrest. He replied that in the organization of the bank I had made a false statement and was subject to arrest for perjury; and "not only that," said he, "but I am inclined to think you trying to blackmail the Comptroller." I told him he was mistaken; that I was just proposing to get back what was justly my own, but I could not do it. I would not have thought of these things if I had not been poor.

By Mr. Cox:

Q. State how you came to sign that release.—A. Mr. Davis had a detective or an officer of some sort standing there, with a little cane in his hand. He said to me he had a document written and prepared for me to sign. I told him I would not swear to any such document. Then he told me to sit down and write a letter myself and swear to it. I told him I would write a letter and sign it, but would not swear to it. That is the letter I wrote, [marked B;] and I wrote it under a threat of Mr. Davis to have me arrested. I signed it also in consideration of the sum of \$100.

Q. Did you get the money?—A. I did.

Q. Is this all in your handwriting?—A. All except a portion of the two items below.

Q. Where was this signed?—A. In the office of Davis, 38 Wall street.

Q. What is his business?—A. A lawyer.

Q. Has he any other business?—A. He was receiver of the Ocean National Bank.

Q. Did he give you the money?—A. He gave me a check for \$100.

Q. On what bank?—A. I do not remember.

Q. What do you mean by "releasing all claims?"—A. Simply that I would release him from all obligations. I did the thing under threats. When Davis proposed to arraign me, I said it was three years since the affairs of the bank were closed, and it was a very remarkable thing to talk about prosecuting me three years after the bank had been wound up. If the Comptroller thought I had failed in administering the affairs of the bank, it should have been done years ago.

Q. Have you written any letters subsequent to that?—A. Yes, sir; I have written a hat full.

Q. Of the same tenor as that of October?—A. I do not know the character. I have written persuasive letters, and others. I intended to get back the money, and when I did that to stop.

By Mr. SMITH:

Q. You remarked that the consideration had failed. What consideration? You said you intended to get back the money because the consideration had failed.—No, sir; I said there was no consideration, for I received none. I have some papers and memoranda which, if I had, I could answer your questions more satisfactorily.

By Mr. MERRIAM:

Q. Where are they?—A. Some of them in New York.

Q. Have you been approached since you have been here by any party in regard to your testimony, to prevail upon you not to come; if so, by whom?—A. When I came to Washington I regretted exceedingly that I had written that letter to Mr. Randa and I did not suppose he was going to give the letter to the committee. I did not want to come before the committee, and I really would now give my right arm if I had not done it, because I don't like to give even facts to injure people. When I came to Washington I called upon Mr. Albert Pike, an acquaintance of mine from Tennessee. I went to his office and found him disabled, and then went to his private room to see him and ask him about this thing. I told him I should be called upon to say things that would reflect upon certain persons, and I did not want to do it if I could avoid it. Said he, "Mr. Rutter, I have but little in this world, outside of my library, that I can see here; but I advise you to go before that committee and tell a straightforward, unvarnished story, let it hit whom it may;" and I left him.

Q. It has been testified here that you had been approached by Mr. Hulburd.—A. I met Mr. Hulburd, but I took nobody's advice. When I came to Washington I went to get from Mr. Hulburd a fact to relieve the impression made upon the public, that I had robbed that bank of currency, as stated in the New York Herald. I stopped at the Owen House, and sent a card over by the colored boy to Mr. Hulburd, just simply saying my name upon it, and Mr. Hulburd came over in response to that card. I asked about the matter I spoke of, and he promised to furnish it to me, but so far has not done it. That is the conversation we had, sir.

By Mr. SMITH:

Q. Was there any consideration, direct or implied, for the presentation of this statement; and if so, what was it?—A. I have told you there was no consideration at all.



C.

Personal.]

NEW YORK, October 3, 1870.

DEAR SIR: I inclose draft upon you for \$500. I regret that necessity compels me and those of my family to pursue this course. I am determined to collect every dollar from persons who have blackmailed me, and procured money and property from me under peculiar circumstances. My family are in absolute want, and are suffering this moment for clothing to keep them warm.

I have taken legal advice before commencing those suits. I have not yet mentioned our transaction, and will not if you pay this draft; otherwise I shall do so. I mean that every politician shall refund to me money and property obtained from me. You are aware of the time you wrote me to come to Washington to correct some *irregularities* in the Tennessee National Bank, as you called it, and of the circumstances of that carriage and harness I bought of Young & Bro. for you in Washington; it cost \$625. I have since had, by way of loans from you, \$125, making a balance of \$500 due me, which amount you must pay me. I am in bad health, and my family suffering. You and others have positions denied me by the Government, and I mean to let the public know what sort of material this radical party is composed of, if they do not pay me, collectively and personally; they have robbed me, and you know it, and I mean to ventilate them at once in the severest possible manner if they fail to give me back what is justly due me. If this \$500 is paid me, I assure you that it is an end to this transaction.

Mr. J. D. Mickle, the bearer of this letter, does not know our transactions; but if this draft is not met he will know all about it. I have authorized him to place it in the hands of Washington attorneys for collection, if not paid. You are in condition to pay it, and you will see the justice of it, and hope will spare me the pain of dragging it before the public. I mean to collect all such claims at all *hazards*, let consequences be as they may. If you prefer to make it a private affair, it can be so by paying it; this is with you.

I do firmly intend to have the money back obtained by politicians from me, which has rendered my family penniless and destroyed me.

I leave the affair with you; act as you see fit. It will be useless to discuss the question with Mr. Mickle, as he only acts as a friend for me to collect the claim, and I could not pain you with any publicity, if I can get the money *at once* without it.

Send the draft to me on the Ocean National Bank, and payable *alone to my order*, as no one else is authorized to collect the money on your draft. My health is bad, and condition truly deplorable.

Yours, &c.,

GEO. R. RUTTER,  
*Care of Lewis Daniel & Co., 14 Wall street, New York.*

H. R. HULBURD, Esq.

B.

THEO. M. DAVIS:

Some time in the year 1867 I made a present of a carriage and harness to Mr. H. R. Hulburd, of Washington city. Having had so many reverses of fortune, I find myself and family in extreme want of money. I am thus compelled to call upon my friends for aid. This carriage and harness was presented to Mr. Hulburd when I had means and was in a prosperous condition. I have learned that he is willing to return this present to me, he knowing my present pecuniary embarrassment. If he will do so he will thus greatly relieve me, and do a kind act to my family.

Yours, truly,

GEO. R. RUTTER.

DECEMBER 13, 1870.

R. RUTTER, Esq.:

I will pay you \$100 in full for said carriage and harness.

Yours, truly,

DECEMBER 13, 1870.

THEO. M. DAVIS.

THEO. M. DAVIS:

SIR: I accept your proposition, and release all claims to aforesaid property.

Yours, truly,

DECEMBER 13, 1870.

GEO. R. RUTTER.



OWEN HOUSE,  
Washington, D. C., March 12, 1872.

DEAR SIR: Mr. Hulburd thinks my testimony does him injustice in its not being more definite as to dates. I cheerfully accord to him the benefit of my recollection in the absence of information not now within reach, and request that this statement be filed as a part of my testimony. My presentation of a carriage to Mr. H. occurred before Mr. Hill was appointed cashier of this bank, and without reference to his appointment.

I wish also to withdraw the word "intimidation," used in connection with the presentation of this carriage to Mr. Hulburd, and in justice to the Comptroller, to state that my recollection is that I did receive a letter written by J. H. Howenstein, of the Department, as well as one from the Comptroller, requiring me to correct irregularities reported by Mr. Bull, the examiner of this bank, and that in accordance with this request did make the capital stock good, and upon my return to Memphis delivered over to the bank the currency taken away by me to sign during my absence, and reported the same officially to the Comptroller's Department; and think it also proper to state that Mr. Bull, the examiner, told me since I have been before your committee that these were the only items of any importance requiring correction in his report made to Comptroller Hulburd.

Respectfully yours,

GEO. R. RUTTER.

HON. SAMUEL HOOPER,  
Chairman Banking and Currency Committee.

WASHINGTON, D. C., February 20, 1872.

HENRY H. SMITH duly sworn and examined.

By Mr. COX:

Question. State your name and occupation.—Answer. Henry H. Smith; clerk of the Committee of Claims.

By Mr. MERRIAM:

Q. Give to the committee what information you can in regard to your knowledge of the National Bank of Memphis, Tennessee, in connection with Mr. Rutter and the Comptroller. What was your occupation at the time of the first examination of the bank by Mr. Bull?—A. Clerk in the office of the Comptroller of the Currency.

Q. State what you know in relation to that matter at the time.—A. Well, sir, is so long ago that my memory is not very fresh on the subject. I can give what I remember. I was, in the summer of 1866, a clerk in the division of reports, to which came the reports of the banks and the reports of the examiners. It was then part of my work to examine the reports and to compute the reserve, and do various kinds of work, under the direction of the chief of the division, Mr. Howenstein, now cashier of the bank in Saint Louis. I remember in regard to the bank at Memphis that there had been some irregularities on the part of the bank, as shown by its own reports to the Comptroller; there had been some deficiencies in the reserve, and some heavy overdrafts, that it was a part of my duty to write letters in regard to. And at the time the report came in, Mr. Howenstein thought it would be necessary to have the bank examined. Shortly afterward an intimation was received from Mr. Callender, or from some source in New York, that the bank was in a bad condition; and Mr. Bull, the examining banks, was sent from New York to Memphis to examine this bank. He made a report of his examination. All the reports came to our room for examination. Mr. Howenstein then wrote a very severe letter to the bank, which I copied. I wrote it very hurriedly, and I copied it. Mr. Howenstein said he would take the letter to Mr. Hulburd, then Deputy Comptroller, Mr. Clark, the Comptroller, having just resigned, and tell him that while it was a severe letter, he thought they ought to do further and put the bank in the hands of a receiver. He took the letter, after I had copied it, to the Comptroller, and came back in about fifteen or twenty minutes, with the letter, which Mr. Hulburd had not signed. He said Mr. Hulburd would not sign the letter; and in the course of conversation, he said he found Mr. Rutter in the office with the Comptroller. I had the letter for a long time in my desk, not signed; afterward Mr. Howenstein destroyed it. Mr. Bull came in, probably three or four days after his report had been received through the mail—possibly it was a week—and asked what action had been taken on his report of the Memphis case.

By Mr. MONROE:

Q. Was this severe letter, of which you speak, written by Mr. Howenstein?  
Yes, sir.



Q. Was that written upon the receipt of Mr. Bull's report; after that was received?  
—Yes, sir.

Q. Can you fix approximately the date of that?—A. It was just after its examination.

Q. About what month?—A. The report was made in the summer, in August some time. He also examined two or three other banks in Memphis.

Q. Had he previously received unfavorable reports?—A. Unfavorable impressions had been gathered from the reports proper before Mr. Bull's report was received.

Q. How long before had you begun to get unfavorable reports?—A. I believe the banks were then reporting quarterly, and every quarterly report would show some irregularity in the bank.

Q. How long previous?—A. I think for two quarters.

Q. Were these serious?—A. You could not gather from the report itself whether they were or not. They might show large deficiencies of reserve.

Q. Were your suspicions aroused?—A. They were, somewhat. One thing was, that the money which had been deposited by the State officers of Tennessee in the Memphis Bank had been placed in the National Bank of the Metropolis, and this was shown to be in a rather shaky condition, and the president of the bank was speculating in New York.

Q. How long after Howenstein's letter was written was it when Mr. Bull's report was received?—A. I think a week after the examination. My attention was particularly drawn to it at the time, because Mr. Howenstein and I had had some correspondence with another bank of a somewhat similar character, under Mr. Clark's administration—it was a bank in Maryland—and the subject was discussed at the time.

Q. Have you any knowledge of the motive that brought Rutter to Washington at the time?—A. No, sir. I know he asked if there was a supplementary report of Mr. Bull.

By Mr. MERRIAM:

Q. Was it usual for a bank president to see the reports of the examiners?—A. It was not usual in our room. The reports of the examiners were considered confidential, and for the information of the Comptroller, and not to be disclosed to any of the officers of the bank. If a bank officer came into our room and desired to see a copy, it was only given by the direction of the Comptroller or deputy.

By Mr. MONROE:

Q. This report was received at your office about the 1st of September?—A. Yes, sir. The examiners frequently sent in a batch of reports together in one envelope.

By Mr. MERRIAM:

Q. Did you see the original report of Mr. Bull?—A. Yes, sir.

Q. What was your impression about it?—A. It was thought to be a pretty bad state of affairs. Mr. Howenstein noted quite a number of irregularities. He remarked to me that he thought the bank should be placed in the hands of a receiver, and would like to go there.

Q. Did you have any conversation with Rutter about the condition of the bank?—A. Yes, sir; after he came up, but not till I had seen Mr. Bull. I had a slight acquaintance with Rutter. He was frequently coming in and inviting gentlemen out to lunch. I went once or twice to eat some oysters at Welcker's. In the course of conversation, he asked me something in regard to the report. I told him I was not at liberty to tell him about it; it was a violation of rules. He said he knew that. I said of course he need not ask me. He remarked, "They are going to put me up in the stocks or on the rack, wind me up, or something of the kind, are they not?" I said I did not know, but there had been some conversation of that kind. Said he, "Bull recommended it in his second report." I said I believe he did. He said, "I guess they will not do that; I have that all right; I'll beat the gentleman yet." We met Mr. Jenkins going out, and the subject was resumed and discussed by us; and Mr. Rutter, Jenkins, and myself went up to Welcker's and had this lunch. That was the only conversation I had with Rutter.

By Mr. MONROE:

Q. Had Mr. Rutter been about your Department before?—A. Only once or twice. I had a good deal of business with Hutchison.

By Mr. MERRIAM:

Q. Did he intimate how he had fixed the matter up?—A. No, sir; the impression was that he had made some arrangement to prevent being put into the hands of a receiver.

Q. With whom?—A. I supposed with the Comptroller. He could make it, and no one else. Mr. Clark had resigned, and Mr. Hulburt was not appointed till February. Mr. Clark resigned about a month before Mr. Bull's report was made.



Q. It has been said that Mr. Hulburd was not the Comptroller. He was the acting Comptroller?—A. Yes, sir.

By Mr. FARWELL:

Q. Did Mr. Rutter say he had made an arrangement with the Comptroller?—A. No, sir. He said he had fixed the matter so that he would not be put into the hands of a receiver. I drew that as the natural inference, as Mr. Hulburd had the entire control of the matter. If it were proper to put the bank into the hands of a receiver, he alone could do it.

Q. Do you remember the words?—A. He desired to see the contents of Mr. Bull's report. In the course of conversation, passing out of the Treasury, he said that Mr. Bull recommended that the bank be wound up, or that he be put in the stocks or the docks; I made a reply to that; and then he said again, "I think I'll beat the gentleman yet; I have fixed that matter." He referred by beating the gentleman to Mr. Bull. Mr. Bull brought in a supplementary report from Alexandria, and came and asked for the Comptroller, who was not in at the time. So he came in to see Howenstein. Afterward, when he went to see the Comptroller, he came back greatly excited, and said he found Rutter had got ahead of him.

By Mr. MERRIAM:

Q. Can you give the substance of the letter of Howenstein to which you have referred? To whom was it directed?—A. To the president of the bank. He called attention generally to the condition of the bank, as shown by the report. He talked of the irregular features of the bank, that were in violation of law, and then pointed out the remedy. Considerable pains were taken with the letter, and the subject was discussed quite freely. I know it was thought by the clerks who took any interest in the reports at all that the bank ought to be wound up; that Rutter was a man not experienced in banking transactions, in whom they had no confidence; and that the bank ought to be wound up on account of the large amount of the State funds, school funds, and others. It was thought that by continuing it the school-fund was put in jeopardy.

By Mr. Cox:

Q. Who had the custody of these reports?—A. They were placed on file in the division of reports. Mr. Howenstein had charge of the division.

Q. Did Mr. Rutter tell you from whom he got his knowledge of the report?—A. No, sir. He satisfied me that he knew about the contents of the report, because he went on to explain certain features. He said Mr. Bull commented upon the fact that he had taken away a considerable amount of the securities. He said Bull was an old granny that it was done by all bank officers; that he took a few notes along with him that he could sign as he was on his trip, to pay his expenses.

By Mr. FARWELL:

Q. You say he said he had it fixed up?—A. Yes, sir.

Q. You inferred from that that he had made some arrangement or contract with the Comptroller?—A. Yes, sir.

Q. Could you not equally have inferred that he had fixed it up by paying in the reserve?—A. No, sir; that would not follow; for the reason that the officers of the bank had sworn that the capital stock was paid up. The report of Mr. Bull showed that was not paid up. That oath was on file in the office; and they could not get the currency without the certificate of the payment in full of the capital stock. That certificate and oath was on file that it was paid in. Mr. Bull's report showed that it was not paid in.

By Mr. Cox:

Q. Who made the oath?—A. I do not remember.

By Mr. FARWELL:

Q. What did you desire to convey to us when you say that the Comptroller was the only officer who could do anything to fix it up?—A. I do not know that I can convey that, except by the conversation of Rutter; that he had fixed the matters of his bank so that the bank would not be put in the hands of a receiver. There was no other way of fixing it up under the law, except by the Comptroller doing something to prevent that action from being taken.

By Mr. Cox:

Q. Do you mean illegally?—A. If Bull's report was a true report, I don't see how there could be any legal way to fix it but to put it in the hands of a receiver.

By Mr. MONROE:

Q. Were there any reasons given from the Comptroller for not signing that letter?—A. No, sir. Howenstein said he found Rutter in the Comptroller's room, and he was very much disgusted.



By Mr. FARWELL:

Q. Would it not be a common thing for a president of a bank to visit the Comptroller to explain any matter in his correspondence?—A. I do not know. It was not a common thing, I think. There might be some details that might need explanation, and being in the city he might have an interview with the Comptroller; and the Comptroller might have a letter ready to send which the interview would render it unnecessary to send.

Q. These interviews are not unusual, then?—A. No, sir.

By Mr. MERRIAM:

Q. The letter was considered as an official document?—A. Yes, sir.

Q. Do you retain the copy?—A. The practice is, after the letter is signed by the Comptroller, to take a press-copy, and then it is afterwards copied.

Q. Then, after you determine to take any action in regard to the bank, it is put in writing and the bank is notified?—A. No, sir. If Mr. Hulburt had designed to put the bank into the hands of a receiver, he would not have notified them.

Q. It seems, then, that this was not conveyed to Mr. Rutter?—A. No, sir.

Q. But in cases where you wished to convey an official matter to the officers of a bank, you put it in writing?—A. Yes, sir.

By Mr. FARWELL:

Q. How long did this bank run after this time before a receiver was appointed?—A. The receiver was appointed along in the following spring of 1867. It would be eight or nine months. I don't remember the exact time. I remember Howenstein had intimated to me one evening that he might go away, and his telling me about some detail work that he wanted me to look after. I found the next morning that he had gone to Memphis to put the bank in the hands of a receiver; and came back from Memphis, I suppose, in the latter part of March.

By Mr. MERRIAM:

Q. Was the impression in your Bureau that, if this bank had been put into the hands of a receiver at the time the first report was made by Mr. Bull, this money would have been saved?—A. I know that it was Mr. Howenstein's impression, and it was mine.

Q. Do you say that the National Metropolitan Bank here was under suspicion?—A. I do not remember; but I remember that shortly after, it went into liquidation, and the books of the bank show that they had this account with the Memphis bank, on both sides of their ledger, showing that this money received from the school-fund of Tennessee had been received by them, and by them been put into a bank in New York. Mr. Bull had examined not only the National Bank of the Metropolis, but almost all the New York City banks. I think he told me afterwards that he gathered some information that led to the rotten condition of the Memphis bank, when he was in New York, in the course of his examinations there.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Do you remember that Mr. Bull, in his report, said that the stock was not paid up, or improperly paid in, and stock-notes given?—A. Yes, sir. He said stock-notes were given, and he said that he had information through a gentleman there, that the notes were given without any expectation that they would be paid; that there was a private arrangement with Mr. Rutter that these notes were not to be paid.

By Mr. COX:

Q. Can you tell when Howenstein went out of office?—A. I guess it was in the fall of 1867.

Q. How long did he remain after this transaction?—A. Possibly a year; I do not remember.

Q. Where did he go?—A. To Saint Louis. He was made an examiner of banks through the southwestern country.

Q. Did Mr. Rutter tell you he had paid money to Howenstein?—A. No, sir.

Q. Did he say he had got any advantage there through him?—A. No, sir; at that time Howenstein had not very much feeling for Mr. Rutter, and regarded him as a very poor financier. He wanted to be elected as cashier, and remarked that he would take that bank and put it in a good condition. Howenstein and I were particular friends, and the matter was discussed a good deal between us.

By Mr. WALDRON:

Q. You spoke of the supplementary report made by Mr. Bull; how long was that report after the original report, in August?—A. Within a week or two.

Q. Was he sent back to make it?—A. No, sir; it was made in Alexandria; I think I told me that he was hurried away from Memphis, and did not have time to write the first report as carefully as he had expected. I understood he did not keep a



copy of his report in full, but he had his notes and memoranda, that he had made during the examination; and when he got to Alexandria he wrote a letter to the Comptroller, explaining more in detail the features of his examination.

Q. Was the conversation with Rutter, while going out to lunch, on the same day that the letter of Howenstein was taken to the Comptroller to be signed?—A. It was after the supplementary report.

Q. About what time do you fix the date of that conversation with Rutter?—A. It was some time in September, probably.

By the CHAIRMAN, (Mr. HOOPER:)

Q. That bank made a regular quarterly report the 1st of October, did it not?—A. They were required to do so by law, but I do not remember whether they did or not. There were sixteen hundred and odd banks; and I had usually the reports in New York and Pennsylvania to attend to and file them; I never had the State of Tennessee or any southern State on my abstract sheet; so that I would not know whether the bank made a report or not, without having my attention called to it. I presume they did make one.

Q. You being interested in Mr. Bull's report, and having such an unfavorable impression in regard to the bank, I should have supposed you would try to know more about the report.—A. No, sir; because it would not show anything of importance to us. It was only through the reports of the examiners that anybody could gather anything in regard to them. The bank might have a very large deficiency in reserve, and large amounts of over-drafts, or a great amount in suspended paper. These things would not be shown by the report; they would appear only by an examination of the books of the bank.

Q. If I understand you, they report quarterly?—A. They should have reported quarterly.

Q. Whenever they did report they reported the capital to be \$100,000?—A. They had previously reported that.

By Mr. MERRIAM:

Q. I find, on examining matters in relation to the organization of the Union Square Bank of New York, some items of expense; the first item I notice is for a collation, \$630 77. Then there is another item, put down as "Expense to Washington, \$3,777 10." Can you give us any information in regard to what that \$3,777 10 meant?—A. No, sir; I resigned from the Union Square Bank in 1870. It was put into the hands of a receiver only a little while ago.

Q. Do you know what are called "expenses" here were for?—A. I do not know; I have not the slightest idea what they could properly be for, beyond railroad fare and hotel bills.

Q. Have you ever heard that any portion of that was ever paid to any person in the Treasury?—A. I have no personal knowledge in regard to it.

Q. What can you tell us in regard to it?—A. I have heard a statement, but unless it is insisted upon I don't like to state it.

Q. I insist upon it; it is important we should know it.—A. The statement was made to me that a brother of Mr. Hulburd had received \$2,500 of this money.

Q. Who told you so?—A. I should prefer not to tell. I don't know but that it would be violating confidence.

Q. We can have no confidence here; we want to get at the facts.—A. I heard it from a relative of Mr. Hulburd's, a young man by the name of Corwin.

Q. Was he a nephew of Mr. Hulburd's?—A. I think so.

Q. What was his name?—A. John, I think.

Q. Do you know where he is at present?—A. No, sir.

Q. Did you have any intimation of what became of the balance of the money?—A. No, sir; I think it may be better to state how this came about. Mr. Corwin was clerk in the same division in which I was a clerk; in talking about some matters he said he wished he was as well fixed as Lew. Hulburd.

Q. Who was he?—A. He was an examiner of the banks in Virginia, and he had gone to New York to assist Mr. Callender. Mr. Corwin remarked that he wished he was fixed as well as Lew., that he had just made a strike of \$2,500.

By Mr. COX:

Q. Was that while he was an officer of the Government?—A. Yes, sir; he was an officer; an examiner of banks.

Q. How did young Corwin say he got this information?—A. He remarked, "I wish I was as well fixed as Lew. is." Young Hulburd was a social, jovial gentleman, and we had been conversing together there, and Mr. Lew. Hulburd had just gone on when young Corwin remarked that he wished that he was as well fixed as Lew. asked him how he got so well fixed. He said for getting a new bank through. He said a new bank in New York, and I inferred that it was the Union Square Bank, and so



said, "The Union Square Bank?" Then he asked me how I knew it, and I told him that I did not know it, beyond what had he said. A man came to me, whom I afterwards learned was a detective, who came and asked me if I knew anything in regard to a bribe being offered to the Comptroller. I said no, I knew nothing about it. He said it was stated that \$5,000 was charged for the charter of the Union Square Bank, and that the Comptroller had one-half of it.

Q. Who was he?—A. I do not know. He was a detective in the Department. I had seen him about the Department, and he came and asked me and I told him I knew nothing at all about it. He said the charge had been made by a New York banker, who wanted him to work up the case. He made the same inquiry of two or three other clerks.

Q. There has been some talk about the general custom of clerks receiving money for services. Have you heard of any other instances of officers receiving money for any such services, outside of their salaries?—A. No, sir; I have never heard of any particular case. It was sometimes the practice for clerks to receive a compensation, or fee, for some extra services, if some information was given. There were two or three who received some extra compensation in that way.

WASHINGTON, D. C., February 22, 1872.

THEODORE M. DAVIS duly sworn and examined.

By the CHAIRMAN:

Question. Please state your name, residence, and occupation.—Answer. Theodore M. Davis; I reside in New York; I am a lawyer.

Q. Are you acting as receiver of the Ocean National Bank at present?—A. I am.

By Mr. MERRIAM:

Q. Did the Metropolitan National Bank go into liquidation?—A. Yes, sir. I was attorney for the bank to close up its affairs. I was employed by the officers of the bank. The bank was never placed in the hands of a receiver. I was employed by the stockholders and officers. The bank owed some \$700,000. Its assets consisted in about \$400,000, in Government bonds, and some bills receivable. I was appointed as their attorney by the stockholders. I took possession of the assets and paid the Government whatever was due, in full. I paid off every debt the bank owed, except two disputed claims. One of these was by the Tennessee National Bank, for \$10,000. In the course of extensive personal dealings of Hutchison & Rutter, this claim originated. Hutchison denied the claim; and when I came into the position of attorney I insisted that the \$10,000 should be allowed. Hill insisted it should not be; and we both appealed to the Comptroller, and the Comptroller refused to allow it.

Q. You say you paid the Government all that the bank owed it?—A. Yes, sir.

Q. Did it receive its interest?—A. It did not owe any interest. When you speak of interest you raise a legal question. The bank owed the Government some \$700,000; we had \$400,000 in Government bonds, leaving a margin, which I paid up. When I had paid the principal Mr. Spinner demanded interest upon the Government deposit, and I contended that the bank was not liable for interest. We referred it to the First Comptroller, and it was decided in my favor. Then Mr. McCulloch referred it to the Attorney General, and it was decided in my favor again, that the Government was not entitled to interest. I proposed to pay a part of the claim of the Tennessee bank. There were some collaterals that I hoped to get some money on. But shortly after, the bank went into the hands of others, and it run along until the claim was outlawed. That, and another claim that we disputed, are now in the Supreme Court of the United States. That was my connection with the Bank of the Metropolis. I had nothing to do with Mr. Hulburd about that.

Q. Why was there no receiver appointed?—A. There was no occasion for that. There was then no authority under the law to have one appointed.

By Mr. HULBURD:

Q. Did you ever pay the receiver of the Tennessee National Bank any money for not prosecuting that claim against the National Bank of the Metropolis?—A. No, sir.

Q. It is alleged in this testimony that the Tennessee National Bank might have recovered that \$39,000 if money had not been paid.—A. Money was never paid, never thought of; not a dollar.

Q. Please examine the paper marked "B."

[The paper was read by witness.]

By Mr. MERRIAM:

Q. Is that your signature?—A. Yes, sir. To understand it properly it is necessary



to say that long before this Rutter had come to me often to see me in connection with the affairs of the Tennessee Bank, and through my connection with that bank, and through what Rutter had told me—for he had made propositions that none but a rascal would make—I knew all about him, and I judged him to be the veriest rascal that walked. That being my estimate of the man, I knew how to deal with him when he came to my office and told his story. He said, "When I was rich"—and I remember distinctly correcting him and saying, "When you thought you was rich"—"I gave Mr. Hulburd a carriage and harness. Now I am poor, and Mr. Hulburd is rich, and he has got to pay me for that carriage." I said, "Rutter, what did you give him that carriage for?" He said, "Nothing in the world except that Hulburd was a good fellow, and I was rich and could afford it. He is not the only man that I have given presents;" and he went on to tell what he had done in Memphis. I said, "Did Mr. Hulburd give you anything?" "Oh, no." "Did he give you any time to let your reserve run back, or anything of that kind?" "Not a thing. He resented that; not a thing; he did not ask a thing." I said, "Rutter, do you know how mean a thing, and how contemptible a thing it is to give a present and then come and ask pay for it?" He didn't care anything about it; he wanted money. I got excited, and called him everything I could think of; I gave him a cursing and told him to leave the office. A few days after, I got a letter from Mr. Hulburd, telling me that Mr. Rutter had written to him about this matter, and telling how poor he was, and asking for some money. Mr. Hulburd went on to say something about Rutter's wife; that he had no feelings of kindness to Rutter, but was sorry for his family; and that he had already loaned Rutter money from time to time, when he came and told about his family; and that, taking everything into consideration, he thought the best way was to pay Rutter just what the carriage was worth, and make a business transaction of it. A day or two after that, Rutter came into my office. In this letter Mr. Hulburd detailed the circumstances under which the carriage was given; that he was going down the avenue, Rutter having been in the office with him; and when he attempted to leave Rutter, Rutter followed him; that he had been looking at a carriage, and told the maker he would give a reply in a few days. Shortly after Mr. Hulburd received a letter from Rutter, saying he had paid for the carriage, and asked Mr. Hulburd to accept it. Mr. Hulburd wrote to him that he declined to accept it, and let it remain there several days or weeks. That was the substance of it. I asked Rutter about it, and he corroborated what Mr. Hulburd had written. I again repeated my question, if Hulburd had done anything wrong about the carriage; and I cross-questioned him to the best of my ability. Rutter declared it was just a gift from one gentleman to another, and resented the idea that he had received anything.

Q. Did not you consider it very remarkable that Mr. Hulburd should accept a carriage from a man of such a character as you have given to Rutter?—A. O, no; Rutter's reputation was not then established. The giving of the carriage was along in 1835 and this conversation with Rutter was in December of 1870. Rutter did not develop till 1867 or 1868. I at that time questioned him, and he told me the same story.

By Mr. FARWELL:

Q. When did you first become acquainted with Rutter?—A. I saw him in the Bank of the Metropolis here, when he and Hutchison were laying plans about some business transactions. He was in jail in New York, and it came out there.

By the CHAIRMAN:

Q. About what time was that?—A. It was after 1839.

Q. That you learned his true character?—A. No, sir; I knew it before, after his bank had failed, and Hutchison had told me about a great many of his transactions.

Q. How long from the time of presenting the carriage to the time you speak of?—A. I do not know when he presented the carriage.

By Mr. MERRIAM:

Q. What I wish to know is, why you were so particular about the conversation connection with the carriage?—A. That was in December, 1870. I then knew all about him.

Q. This conversation was in New York, and not in Washington?—A. Yes, sir; but Rutter was known to the public after 1866; I don't think I knew him until 1866. Then was the time he was being exposed. I don't know whether he was in jail or at the police headquarters. He told me in this conversation in 1870, in December, just how it was. He said the only reason why he asked for it was because Mr. Hulburd was rich, and he was poor; that he had given the carriage when he was rich; but that he had fallen so low he was willing to ask for it. I said, "What is the carriage worth?" I don't remember the figures; he figured up what it was worth, and the amounts of money that Mr. Hulburd had paid him from time to time, and loaned him, and we struck a balance, as to the value of the carriage, over and above what he had been paid for it.



Q. You say you proposed to make it a business transaction, and you gave him \$100 for a carriage that had been in use several years. Did you propose that he should buy it and take it at what it was then worth?—A. No, sir; I said, "What did the carriage cost?" He told me; and he said, "Mr. Hulburt has given me or my wife some money, and, I think, about the fair price of that carriage would be so much money."

Q. Do you say that this \$100 would make up the cost of the carriage, together with what Mr. Hulburt had paid him?—A. I don't remember how it was; I remember that was the settlement.

Q. Then you considered, this being a business transaction, that he was to buy it at a certain price, and then buy it back at a lower price?—A. No, sir; I have given the carriage; you have given me so much money; I owe for that; now, if you will give me so much money I will be perfectly satisfied. Mr. Hulburt told me to pay its full value. I made the transaction with Rutter myself. I am quite sure that Mr. Hulburt directed me to pay more money to Rutter than I paid him; because I had no scruples at all in driving the sharpest bargain I could, and I did it. I asked him if he had anything else that he wanted to be paid for. As to this being signed under threats, it is false. I said, if he was where he ought to be he would be in the penitentiary. There were no threats at all; there is not a word of truth in that. The second time he came I treated it simply as a business transaction; I talked to him then just as you would under the same circumstances. I told him he ought to be in the penitentiary.

By Mr. MONROE:

Q. Did Mr. Rutter, when speaking of what Mr. Hulburt owed him for the carriage, say anything further about Mr. Hulburt's having black-mailed money from him?—A. No, sir. He has never, in his conversation with me, said anything against Mr. Hulburt; on the contrary, he has lauded him to the skies. I said, "Rutter, I will have an affidavit drawn; you tell the facts, and then swear to them." Rutter said, "My word is as good as my oath." I said, "I think it is." Then I said, "Go into the front-room and write your letter." I remember I was busy; and he went there and brought back this letter. I said, "Sign it." Then I gave him a check for \$100. I said, "Take it and go," I did not want to lay my eyes on him again. I wrote to Mr. Hulburt, and he sent me \$100. There was no policeman, no detective at all; and no threats at all.

Q. How about your trying to prevent him from coming here?—A. Rutter came into the bank as soon as I was appointed, and told the same story he has told about his wife and children, and wanted me to give him some money. I hesitated between damning him and giving him some money. I finally gave him \$5. Then he came into the office a week ago and said to me, having a New York Herald in his hand, "Have you seen this?" I asked, "What?" He said, "It is that damned scoundrel, Bull." He said, "It is very important that I go to Washington, because there is not a single word of truth in what is said about the Tennessee National Bank." Then he went on to explain. I paid no attention to it. He told about his bringing away currency to sign; and then went on with a long string about what he had done for the democratic party in Tennessee. Then he said again he ought to go to Washington. I said, "Then why don't you go; I have nothing to do with it." He thereupon pulled out his *subpœna*, and said, "They are very anxious to have me go." He said, "I have no money." I said, "Do you want me to advance money? I have nothing to do with it. If what you say is true, I will write." He wrote, and I signed it. I got a letter from Mr. Hulburt, inclosing \$5 to pay the expenses of Rutter over here. He at the same time told me to use it if I thought proper. He also wrote that Rutter had written to him, very urgently, making charges against him. When Rutter came in again, I said, "How does this happen that you have written to Mr. Hulburt, making charges against him?" He said he never did anything of the kind. I said, "You did." He said, "So help me God, I never wrote a letter to Mr. Hulburt about it." I said, "Rutter, this is cool." I said, "I hear that you made an affidavit down in Tennessee that you paid \$5,000 to Mr. Hulburt for putting you a cashier." Whereupon he swore again that he did not. I said, "I know how it is, and consequently I cannot give you the money while you are making charges against Mr. Hulburt; and now you come and say to me that you will go and indicate Mr. Hulburt. Mr. Hulburt cannot properly give you a dollar in money. If you want to go, write to Ordway." I said, "If you are going over to make charges against Mr. Hulburt, I have no money for you." He said it was very important that he should go, and he must have money. I said, "I will write to Mr. Hulburt again about it, and you come in again, day after to-morrow." He went to Mr. Hulburt, and he told me to use my own discretion. Rutter came in again, and whopped right round; and said he, "Davis, I don't think it will do for me to go over. My testimony will be all in Mr. Hulburt's favor." I said, "I think so too, if you make the statements you make to me." Then he said, "They want me very much; Mr. Ordway has telegraphed to me yesterday and the day before." I said I would give him \$100 for every telegram he had. He said it was down town, and he could not get it. Then he talked to me about the importance of his not



coming here; he wanted to go to Kansas. I said, "Why don't you go." He said, "Davis, if you will give me money I will not go over. It will cost me \$20, and I shall get only \$50, and that will leave me \$30." Said he, "Davis, you put a nought to that, and I will not go." Then he talked about being a loafer, and was going to reform and try to lead an honest life. I then began to talk to him, and gave him a moral lecture. Then he said, "I will not go to Washington." I said, "Just as you please;" that, "If you want to go, your way is to write to Ordway and tell him you have no money." I told him I didn't care a snap, he would get no money from me. He said he would come and see Mr. Hulburt. He hung about a while, and the next thing I heard he was in Washington. His statement that I tried to keep him away is false. On the contrary, my instructions at first were to give him money to come over, from Mr. Hulburt. Then, when I saw what he was coming for, I refused to give him any money. That is my connection with that.

By Mr. FARWELL:

Q. Have you the letter which Rutter wrote to Mr. Hulburt, referred to here?  
[The letter was handed in by Mr. Hulburt. The following is a copy:]

"NEW YORK, February 10, 1872.

"H. R. HULBURD, Esq.:

"I see a notice in the Herald of to-day, (Saturday,) upon which I called to see Mr. Davis. I have also received a subpoena from the Banking and Currency Committee to come to Washington *instanta*, as a witness. It seems that Bull is making some reckless charges. I have no money to pay my railroad fare to Washington. Davis suggested that I write to you to send me enough money to come over. I will call and see you upon my arrival, if you do this. If you send it, send it to Mr. Theodore M. Davis, receiver Ocean National Bank, and I will call for it. It must be sent, if at all, immediately, so that I can get it on Monday.

"Yours,

"GEG. R. RUTTER.

("Care of R. P. Salter & Co., 144 Pearl Street.")

By the CHAIRMAN (to Rutter:)

Q. Mr. Rutter being present, will you state if you wrote that letter?—A. (By Rutter.) I wrote it in Mr. Davis's office, at his suggestion.  
[In this connection the examination of Rutter was continued.]

By Mr. MUNROE:

Q. What were the reckless charges that Mr. Bull was making?—A. That the bank had lost by my carrying off some currency. I believe Mr. Hulburt had the information in his office that would enable me to correct that statement, and relieve me from the charge.

Examination of Mr. DAVIS resumed.

By Mr. MERRIAM:

Q. Is Mr. Callender a debtor to the Ocean Bank now?—A. He is on paper there to the amount of \$117,000.

Q. Anything beyond that?—A. There might be a few drafts; but I think the \$117,000 covers the whole amount.

Q. Do you know to what amount he was indebted to other banks?—A. I do not know.

Q. What knowledge had you that he had ever given loans in any other bank?—A. Two or three years ago I was told by one of the principal bank officers that Callender had a loan of Portage Lake bonds. Mr. Hulburt was in my office, and I said to him, "Do you know Callender is borrowing money of the Ocean Bank?" He said, "No. The next day, Callender being in my office, I asked the question, what it was about his borrowing money. He was very much surprised and said, "I intend to take it up to-morrow." Mr. Hulburt said the thing must be stopped; he did not care what the security was; if money was borrowed it must be done outside. Callender went on to say a great deal. Mr. Hulburt spoke very severely of what Callender had done, and Callender resented it. Mr. Hulburt said it must stop, and spoke very sharply about it.

Q. Did Mr. Hulburt ever ask you if you knew anything about more loans?—A. No, sir; I interfered because I was a friend to Mr. Hulburt. Callender had told me time and again that his matters were all straight with the Ocean Bank.

Q. Were you aware, after that, of his having any loans in any bank?—A. No, sir; was not until just about the time the Ocean Bank failed.

Q. How long before?—A. About two days. A man by the name of Shaw, a broker told me. Two of the directors of the bank did not know it. It was kept very quiet. Really, he did not have any loan. He was agent of the Portage Lake Canal Company and he borrowed it on their paper, and very stupidly indorsed their paper.



Q. Did you not tell me in New York that you thought Mr. Hulburt had no right to allow him to borrow money, and censure Mr. Hulburt for permitting it?—A. I think you must have misunderstood me; my recollection of the conversation is that you said Mr. Hulburt ought to have stopped this thing. I said he knew nothing about it. It occurred to me that you had had a conversation with Mr. Beekman, who has been in the Union Square Bank; because he told me what you said about Mr. Hulburt on that same occasion. I, as proving to you that Mr. Hulburt would not have allowed it, said he must have been too smart to have allowed a bank examiner to go on in that way.

Q. How long had this loan of \$75,000 or \$80,000 been in the bank?—A. Since the first of October.

Q. Previous to that time he had no loan in the bank?—A. No; that was on some paper there.

Q. Were they permanent or temporary; can you tell whether they were from time to time taken up and renewed, or whether they were taken up at all?—A. No; I do not know whether he ever had any loans; all I know is that he is liable for \$117,000.

Q. In what firm was he a partner?—A. None; but was agent of this Portage Lake Canal Company in negotiating loans. This loan of \$75,000 occurred, and he took it to the same place, and Stevenson carried it some days. Mr. Hulburt said he must stop that, and he paid up the loan. The Portage Canal Company got frightened. Most of the present indebtedness of Callender originated last October. There are two loans, one of \$4,000 and one of \$3,000, on Portage Lake bonds.

WASHINGTON, February 22, 1872.

J. T. HOWENSTEIN duly sworn and examined.

(The testimony of Mr. Rutter in regard to paying money to Howenstein by himself, as read.)

By the CHAIRMAN, (MR. HOOPER:)

Question. State your name, residence, and occupation.—Answer. James T. Howenstein; cashier of the Valley National Bank, of Saint Louis.

Q. Did you examine Mr. Rutter's bank in 1863, at Memphis?—A. It was not till the spring of 1867.

Q. Did you receive any money from Rutter out there?—A. No, sir.

Q. Have you any statement to make in regard to what Mr. Rutter said in his evidence just read?—A. I have none, except that it is not true.

By Mr. MONROE:

Q. Did you write such letters as are described in that testimony, demanding money?—A. No, sir.

Q. Did you ever speak to him about officers in Washington who would share any money which you would receive from Mr. Rutter?—A. No, sir.

Q. Can your letters be produced from the secretary of state in Tennessee, written by you to Rutter, demanding money?—A. No, sir; none at all.

Q. What was your position in the Comptroller's Office prior to your going out to examine this bank?—A. I was a fourth-class clerk.

Q. What were your duties there?—A. Examining reports and corresponding.

By Mr. FARWELL:

Q. You say that Rutter never paid you any money?—A. No, sir.

Q. Did you never ask him for any; or ever intimate to him?—A. No, sir.

Q. Neither by writing nor by conversation?—A. No, sir. [The testimony of Rutter in regard to Mr. Howenstein, asking money for his son, was corrected, so as to state that he demanded money for his brother.]

Q. Did you ever ask for a loan of money to set up your brother in business?—A. I will not answer that question positively, because I don't recollect.

Q. Did he ever loan you any money for that purpose?—A. No, sir. My brother came here from California about that time, and I tried to borrow some money to help set him in business. I would not say yes or no about that; but I know I never got a dollar of money from him for that purpose, or any other. When my brother came on here I may have asked him for some money; I would not say I did or did not.

By Mr. MONROE:

Q. Did you propose to borrow it of his bank?—A. No, sir; his bank was then closed.

Q. Did you consider him a man having money?—A. I did not know.



Q. Have you ever asked him to loan you money, or request him to let you have money in such a way that he might consider it a threat?—A. No, sir; because then his bank was closed.

Q. But was there not something hanging over him?—A. Not that I knew of.

Q. It did not leave him, did it, with a very good reputation when the bank closed up?—A. I cannot answer as to his reputation.

Q. You did examine the bank?—A. Yes, sir.

Q. Did not you understand that its affairs had been badly managed?—A. Yes, sir; I so understood, but I didn't know the truth particularly. My examination was rather a cursory one.

Q. Did you see anything in the papers about it?—A. Yes, sir; but that was replied to.

Q. You thought him to be a suitable person to borrow money of?—A. I thought if he would loan me money I would pay him. I was not fully aware of his situation at the time. I went out simply as a clerk of the office, and having performed my duty, returned to the office.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Mr. Rutter's testimony is that when he found you out there as an examiner, you made demands upon him for money.—A. That is not true, sir.

Q. But you think you did ask him for loans?—A. I am not sure about it. I could not say that I did or did not.

By Mr. MERRIAM:

Q. Would not you be likely to remember if you had?—A. Mr. Rutter was in Washington frequently, and I don't recollect that I ever wrote him, or asked for a loan for my brother. I may have done so. I was in charge of the division of reports at that time, I think.

Q. Did you ever see the report that Mr. Bull made of that bank in August, 1866?—

A. I do not know that I ever did. I don't think I ever did.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Did you make application to other parties to borrow money to establish your brother in business?—A. Yes, sir; I wrote to several parties.

Q. Is that the only reason you have for thinking that you may have applied to Mr. Rutter?—A. I wrote to several parties.

By Mr. MONROE:

Q. You were asking wherever you thought there might be a chance?—A. Yes, sir; had no security to give, and could not go to the bank to borrow.

Q. Do you remember about a letter drawn up by you, a severe letter, to be sent to Mr. Rutter, the president of that bank, about the time that Mr. Bull's report arrived, at which Mr. Hulburd refused to sign?—A. No sir.

[The testimony of Mr. Rutter was then read to the witness, in regard to his payment to Howenstein \$2,700, a part of which was said to be for the Government office in Washington.]

Q. All that part you deny, as I understand?—A. Yes, sir; I deny it.

Q. Do you know Mr. Henry H. Smith? Was he a clerk in your division?—A. Yes, sir.

[A portion of Mr. Smith's testimony was then read to the witness, in regard to the writing of the letter to Mr. Rutter, which Mr. Hulburd refused to sign.]

Q. Do you recollect the circumstances stated there?—A. No, sir.

By Mr. MERRIAM:

Q. Could that have occurred and you have forgotten it?—A. I think not. I think from all the circumstances it could not have occurred, because I always write my own letters, and I had a lady who did all my copying, if any was done. If I wrote a letter that did not suit me, or I had spoiled it, I had a lady copy it.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Mr. Smith was not in the habit of copying your letters?—A. I do not think he copied one. I had a lady to do my copying. [A press copy of the letter written to the bank was then presented by Mr. Hulburd.]

By Mr. HULBURD, (the COMPTROLLER:)

Q. Do you know that handwriting?—A. Yes, sir.

Q. By whom was that written?—A. By John Hopley.

By the CHAIRMAN, (Mr. HOOPER:)

Q. Was that written in your division?—A. It belongs to my division.

Q. Was Hopley a clerk in your division?—A. Yes, sir.

Q. What was Mr. Smith's reputation in the office?—A. Mr. Smith I always



sidered to be very officious and meddlesome. He caused disagreements between the clerks considerably in the division. He was idle, indisposed to work; would shirk a great deal, and Mr. Hulburd, the Comptroller, will probably recollect my asking that he be transferred to another division of the office.

By Mr. FARWELL :

Q. When did he leave the office?—A. After I did; I do not know exactly when. I left in the spring of 1863.

Q. Do you know the circumstances of his leaving?—A. No, sir.

By Mr. WALDRON :

Q. Do you recollect ever having found Rutter in Mr. Hulburd's office when you went in there with a letter to be signed?—A. No, sir.

Q. Would you be likely to recollect it, if you had?—A. Yes, sir.

By the CHAIRMAN, (Mr. HOOPER :)

Q. Do you remember that report of Bull's?—A. No, sir.

Q. Do you think you never saw it?—A. I don't recollect whether I ever saw it or not. Coming in my division, I probably saw it.

Q. Would all the examiner's reports come to your division?—A. Yes, sir. There were three or four of us who examined the reports. Mr. Hopley, Mr. O'Connell, and myself. We examined the reports, and we wrote about the reports respectively.

Q. Would the fact of Mr. Hopley's writing this letter show that the report went into his hands, and not into yours?—A. Yes, sir; it would show that he examined it.

Q. You would consider that fact evidence that it did not come to you?—A. Yes, sir; that it went to Mr. Hopley. I may have seen it; but if I had examined it the letter probably would have been in my handwriting.

[Mr. Hulburd here explained that these reports are distributed among the clerks, and that whoever examines any one writes the letter.]

By Mr. MERRIAM :

Q. Did not the reports come to you first?—A. Yes, sir; but I could not have examined all the reports. I divided up the work.

Q. Would you not have examined a bank that was in a bad condition?—A. I would if I had known it before; but I did not know this.

WASHINGTON, D. C., February 27, 1872.

WILLIAM A. HILL sworn and examined.

By Mr. HOOPER :

Question. Please state your name, residence, and occupation?—Answer. William Hill, Memphis, Tennessee.

Q. Your occupation?—A. I am not engaged in anything just now, except attending the interests of my children.

Q. What was your position in Memphis?—A. I was receiver of the Bank of Tennessee.

Q. Where were you before you went there?—A. In Washington City.

Q. What were you doing here?—A. I was a clerk in the office of the Second Auditor.

Q. Will you state the circumstances under which you went to Memphis?—I was introduced to Mr. Rutter, the president of the bank, as a suitable person for cashier.

By Mr. MERRIAM :

Q. By whom?—A. By Mr. Hulburd. Mr. Rutter engaged me to go there.

By Mr. HOOPER :

Q. To go as cashier?—A. Yes, sir.

Q. Do you recollect the time?—A. It was in October, 1866.

Q. Were you in the Comptroller's Department then?—A. No, sir.

Q. Did you know anything about the report Mr. Bull made?—A. No, sir, I knew nothing about it at the time. I heard Mr. Rutter speak about it afterward.

Q. Did you ever receive the report?—A. No, sir.

By Mr. MERRIAM :

Q. Were you not informed by Mr. Hulburd, who introduced you to Mr. Rutter, of the condition of the bank at that time?—A. He said there were irregularities; that it required some one to go there in whom Mr. Rutter had confidence; that he (Rutter) had confidence in the cashier he then had.



By Mr. HOOPER:

Q. What was your salary as cashier?—A. Five thousand dollars.

Q. Suppose you go on and tell us the circumstances of the whole case?—A. I went down in October. I returned once or twice before I took charge of the bank as cashier. I visited New York. I also came to Washington to deposit \$50,000 in the Treasury Department as a security to the Government for an increased deposit. The securities were sent back by express.

Q. You were acting for the bank?—A. Yes, sir.

By Mr. MERRIAM:

Q. Immediately after you went there?—A. Immediately after I went there, in October or November.

By Mr. HOOPER:

Q. Do you remember when you commenced as cashier?—A. About the 20th of November.

Q. What was the condition of the bank when you took possession of it?—A. When I went down, and before I took possession, I asked for a committee to examine the bank, and formally turn over the affairs and securities of the bank to me, but no such committee was appointed. I asked for it repeatedly, but did not get it. I then went on under the direction of Mr. Rutter, who was my superior officer, endeavoring to get at the exact condition of the bank as well as I could, by an examination of its accounts—current, &c.

By Mr. MERRIAM:

Q. How long did you continue to be cashier?—A. From that time until March 1867.

By Mr. HOOPER:

Q. What led to the appointment of a receiver?—A. The bank failed in December 1866. A very large amount of their cash assets belonged to the State of Tennessee and they had given for the residue time-obligations.

Q. What was your salary as receiver?—A. Five thousand dollars.

By Mr. MERRIAM:

Q. Did you ever, directly or indirectly, pay any money—any portion of your salary as cashier—to any officer of the Government?—A. I never did.

By Mr. HULBURD, (Comptroller of the Currency:)

Q. Did you ever say that you were obliged to do so?—A. No, sir.

Q. Before you went to Memphis what were your relations to myself?—A. Very limited. I think that the first time I saw you was after I had written a note to Mr. McClellan, calling attention to my recommendations on file in the office, and stating that I was tired of the Second Auditor's Office, and that it would be more congenial to me to be connected with something in harmony with my education.

Q. What had been your business before you came to Washington?—A. A banker.

Q. You spoke of letters on file in the Department, whom were they from?—A. From several gentlemen who knew me—Mr. Drexel, Jay Cooke & Co., Mr. Morehead, Mr. Fanestock, and others.

By Mr. HOOPER:

Q. While you were cashier or receiver were you paid money, or did you ask to be paid money, by Mr. Rutter?—A. No, sir.

Q. Did you write letters to him asking for money?—A. No, sir.

By Mr. COX:

Q. Were you a witness before the committee of the Tennessee legislature?—A. Yes, sir.

Q. Were not some letters of yours shown there?—A. Yes, sir.

Q. Was there any application for money in those letters?—A. No, sir.

Q. What was the purport of those letters?—A. They were on various subjects.

Q. In connection with the bank?—A. Yes, sir. Some of them were inquiries about claims against the bank, asking for information about certain parties; and some of them were friendly letters.

By Mr. MERRIAM:

Q. You say that you were on friendly terms with Rutter. Did you see anything in his character at that time calculated to impair your confidence in him?—A. No, except his want of management—his reckless management.

Q. He was a man in whose integrity you had confidence?—A. He was.



[Mr. Hooper then read from Rutter's testimony, in which Rutter charged that Hill had black-mailed him, &c., which Hill pronounced to be untrue.]

By Mr. COX:

Q. Did Rutter ever pay you money for any purpose at any time?—A. Before I entered upon my duties as cashier, I transacted some business for the bank for which he paid me.

Q. What kind of business?—A. It was in connection with getting the securities that were out of the control of the bank back again under its control; they had been hypothecated in two or three banks in New York.

Q. How much did he pay you for that service?—A. Five thousand dollars.

Q. Was there any other money paid you for any other service?—A. No, sir.

Q. Was the \$5,000 paid you in one sum?—A. Yes, sir.

Q. No other sum except the \$5,000?—A. Yes, sir; he paid me \$5,000, and afterward took it from me, after a —

Q. How long before you were cashier?—A. It was between October and November.

Q. What did you do; travel?—A. Yes, sir; from Memphis to New York.

Q. How much time did you spend in obtaining those securities and in placing them in the bank?—A. About thirty days?

Q. What was their amount?—A. About \$550,000. They were under the control of a Mr. Hudson, in New York.

By Mr. HULBURD:

Q. You recovered those securities for the bank? A. Yes, sir; I put them into it.

By Mr. MERRIAM:

Q. In whose employ were you at the time except Rutter's?—A. In that of the bank.

Q. Were you in the bank or in the Comptroller's Office?—A. I was never in the Comptroller's Office.

Q. Was it after you left the Treasury?—A. Yes, sir.

Q. Before you accepted the position of cashier?—A. Yes, sir.

By Mr. COX:

Q. You had no connections with the Government at all?—A. No, sir.

By Mr. MERRIAM:

Q. Then you really received \$5,000 for this work?—A. Yes, sir.

By Mr. COX:

Q. Did Mr. Rutter assist you in that business?—A. Yes, he was with me in New York.

Q. Did it require any litigation, &c.?—A. No, sir.

Q. What did you have to do; call on the banks?—A. Yes, sir.

Q. Did you have any difficulty in obtaining them?—A. In one instance we had a good deal of difficulty in effecting an arrangement, but by the assistance of the vice-president of the Bank of the Metropolis, who was in New York at the time, we succeeded.

By Mr. HULBURD:

Q. Did you feel, at any time after your arrangements with Mr. Rutter, that you were under my control or influence, or that you were under any obligation whatever to me other than what any other cashier might be?—A. No, sir.

Q. You stated that you were designated as a suitable man for cashier; what do you mean by that?—A. I mean that I was designated as a suitable person, because I had been familiar with banking; that was all. My testimonials were nearly all from bankers.

Q. Were you ever asked to do anything while you were cashier or receiver that was not, in your estimation, what it ought to be?—A. No, sir.

By Mr. COX:

Q. You have heard the statement that Rutter made here; please say how much truth there is in that statement, if any.—A. That portion of it wherein he states that he gave me money while I was receiver, or an agent of the Government, is untrue.

By Mr. HOOPER:

Q. Before you were cashier?—A. Before I took my position as cashier.

By Mr. COX:

Q. Were those letters of which he speaks, or any portion of them, written to Mr. Rutter after you were cashier or receiver?—A. I suppose some of them were written while I was receiver.



Q. Or before?—A. No, sir. I did not know him before October, 1865.

By Mr. HOOPER:

Q. Before you made the arrangement?—A. Yes, sir.

[Mr. Hooper read from Rutter's testimony in relation to having paid Hill money while he was receiver. Hill, in reply to the question by Mr. Hooper, "What do you say to that statement?" answered that "it was untrue; that he never thought of such a thing; it was new to him entirely."]

WASHINGTON, D. C., March 12, 1872.

HON. ZACHARIAH CHANDLER, United States Senate, examined.

By the CHAIRMAN:

Question. Senator, are you acquainted with Henry H. Smith, clerk to the Committee on Claims of the House of Representatives?—A. I know all about him. He was formerly connected with the Kalamazoo Telegraph.

Q. Will you give us your opinion as to the degree of credence that should be placed in what he might say?—A. He is not to be believed under any circumstances. He has, or he ought to have, my letter dated, I think, six months ago, in which I told him that I would not believe him under oath.

By Mr. RANDALL:

Q. How did such a man come to be appointed clerk to a committee of the House?—A. I do not know.

By Mr. MERRIAM:

Q. Had this business any reference to politics?—A. No, sir. I have his letter here offering to swear that certain statements were true which I knew to be false. I should not know Smith if I were to meet him, although I have, I suppose, seen him a hundred times.

Q. What is his reputation?—A. I do not know anything about his reputation.

WASHINGTON, D. C., March 14, 1872.

H. H. SMITH, recalled. [Mr. Smith was recalled at his own request, for the purpose of making a personal explanation.]

He said: I wish to make a statement as to the facts connected with my leaving the Treasury Department. I did not resign in June, 1870, but took a leave of absence. I was not, as has been stated, an assistant marshal, but marshal for the State of Michigan to collect the social statistics for the Census, and I returned and resumed my work here, and resigned in October, 1870.

[A portion of the testimony of Mr. Howenstein was then read by the chairman, furnishing the information of the witness as to what Mr. Howenstein had said of him as a clerk.

Mr. Smith, (resuming:) The date of the letter written by Hopley, as I understand, is September, 1866; and I propose to show, by an official letter, a copy of which I have, that Mr. Hopley resigned in 1864. [The following is a copy of the letter:]

"TREASURY DEPARTMENT, October 5, 1864

"SIR: Your letter of the 3d instant, tendering your resignation as a clerk in the office of the Comptroller of the Treasury, to take effect from the 7th instant, has been received, and the same is accepted accordingly.

"I am, very respectfully,

"W. P. FESSENDEN,  
"Secretary of the Treasury

"JOHN HOPLEY, Esq.

"A true copy:

"H. S. VANDERBILT,  
"Chief of Appointment Division.

That terminated Mr. Hopley's connection with the Treasury, and of course he did not write any such letter in 1866.

Another thing—Mr. Hopley was never in that division as an examiner of reports. The division was not organized at that time. It was first organized by Mr. Callahan.



under the incumbency of Mr. Clarke, as Comptroller. Further than that, I can establish it by the clerks of the division.

[Witness here gave way to allow Hon. Freeman Clarke to make a statement in reference to the character of Mr. Smith.]

Mr. Clarke said: I consider Mr. Smith's character for veracity and integrity good in all respects. He was in the office a year or more when I was there; and I knew him before he came to Washington, when he lived in Rochester. I have known him from a boy, till he came here. He was appointed a clerk by myself in my office, and he continued in the office till he resigned. He was appointed to do important work—that of the destruction of mutilated notes. In reference to that, I say in general terms, I was entirely satisfied with Mr. Smith in every position that he held, while I was there. His duties were responsible, requiring integrity and efficiency, as much so and more than most of those of the clerks there.

By the CHAIRMAN:

Question. Do you remember Mr. Howenstein?—Answer. Yes, sir.

Q. What was his character?—A. So far as I know, it was good. I do not know that I ever heard anything against him.

[Examination of Mr. Smith resumed.]

Mr. SMITH. I have a letter, written at the time when the subject was fresh in the memory of Mr. Clarke. I had made a move in the direction of an appointment as supervisor of internal revenue, and wrote to Mr. Clarke, stating my idea, and asking a letter which I could use, and he sent me this from Rochester. He had already written me a letter of the same date, in Washington, and I forwarded to him some Department paper, on which he wrote the letter, of which the following is a copy:

“TREASURY DEPARTMENT,  
“OFFICE OF COMPTROLLER OF THE CURRENCY,  
“Washington, July 23, 1866.

“To whom it may concern:

“Mr. H. H. Smith has been employed as a clerk in this office for a year or more, and I take pleasure in saying that he has faithfully and satisfactorily discharged the duties of the position to which he has been assigned; and I consider him a young man of more than ordinary intelligence and ability, and unimpeachable as to character and habits.

“F. CLARKE,  
“Comptroller.”

Further than that, I would like to say that I was employed in the Ordnance Office as clerk for a time. The acting chief of that office, on the 3d of March, 1865, addressed me a note, which I wish to present. They proposed to discharge all the clerks not required, and I, having come in later than others, went out under the rule. A copy of the letter follows:

“ORDNANCE OFFICE, WAR DEPARTMENT,  
“Washington, March 3, 1865.

“MY DEAR SIR: I regret very much that it should have been your fate to be dropped from this office, but as work had become so much reduced that sufficient employment could not be found for all the force employed, the good of the public service made it necessary that a reduction should be made. In making the reduction, those were selected who were on branches where their services could most conveniently be spared; and in your case I know it was not owing to any fault found at the manner in which you have performed your duties. On this point it affords me pleasure to state that your abilities as a clerk are far above mediocrity, and that you are competent for far more important duties than those you had to perform in this office. I cheerfully commend you to any public officer who desires to secure the services of a clerk who is competent as an examiner and correspondent, and at the same time a very fair penman.

Hoping you will not be long out of employment, I remain, respectfully, yours,

“J. P. KELLER,  
“Principal Clerk, Ordnance Office.

H. H. SMITH, Esq.,  
“Washington City.”

Mr. SMITH. In regard to the statement made by Mr. Howenstein as to the examination of reports, it was the reports of the banks that were assigned to the clerks, and not the reports of the examiners. These were all examined by Howenstein himself. I bring other gentlemen who know particularly as to that fact. When Mr. Barton came into the division, I instructed him in the routine work. It was not the examiners' reports that were distributed among these gentlemen, but the regular reports of the



banks. In regard to the letters written by himself, I can establish that by half a dozen clerks, especially by Mr. Cherry, who was in the habit of constantly copying, being a very good copyist, and Howenstein frequently employed Mr. Cherry to copy his letters for him.

By the CHAIRMAN:

Q. If Hopley had been in the office in 1866, would you have known it?—A. O, yes, sir.

Q. And do you swear that he was not in the office?—A. No, sir. He was not employed as a clerk in the division of reports. He was about there, and sometimes in the Comptroller's room.

By Mr. HULBURD:

Q. Do you swear that Mr. Hopley was not a clerk in 1866?—A. He was not, according to my remembrance.

By the CHAIRMAN:

Q. If he was there in 1866, his having resigned in 1864 would have no bearing upon the case?—A. That terminated his connection with the Department, and the records show no appointment since that date. He was about there more or less.

Q. If you saw that letter, written in September, 1866, and knew it was in Hopley's handwriting, would you believe he wrote it?—A. The fact that it was in his handwriting now would be no evidence that he wrote it then. If there was a press copy taken, which can be shown in its proper order in the press copy-book, that would be evidence. If I should see it there, I should admit that he wrote it. Hopley was writing letters in the different rooms, but nothing of an official character.

By the CHAIRMAN:

Q. I want to know who furnished the Tribune a copy of Mr. Bull's report?—A. I do not know.

Q. Do you say on your oath that you had nothing to do with the preparation or furnishing of the material for this article in the Tribune?—A. I do not say that I did not.

By Mr. RANDALL:

Q. Have you any knowledge of who left the original report at my house, or who purports to be the original report?—A. No, sir.

WASHINGTON, D. C., March 14, 1872.

JOHN BULL recalled.

By Mr. RANDALL:

Question. What is the manner of disposing of the circulation of broken banks? Answer. I believe the Treasury of the United States redeems such notes as come in its possession.

Q. Is the circulation reduced to that amount, or is there a re-issue?—A. When the circulation is returned to the Comptroller and destroyed, I believe it has been the practice to re-issue the circulation to other banks.

Q. How is the distribution made?—A. I do not know that I can answer that question. I think it is made by the Comptroller of the Currency; but on what principles or rules I do not know. I am not sure that he does it.

Q. How is it that these notes command a premium?—A. There has been a time when the notes of broken banks sold at a premium, the purchasing bank having the consent of the Comptroller, upon surrendering the notes of a broken bank, to receive in lieu of them notes for their own bank. On what rules or principles I do not know.

Q. Who gets the premium?—A. The selling bank, or the holders of the broken bank notes, whoever they may be. John Thompson has sold a large amount of broken bank notes in that way.

Q. Has any favoritism been shown in this matter by the Comptroller of the Currency in reference to granting charters, that you know of?—A. I do not know of any.

Q. Have you any knowledge on the subject of the presentation of a carriage to the Comptroller, Mr. Hulburd, by Mr. Rutter?—A. I have no knowledge of the presentation of a carriage at all.

By Mr. MERRIAM:

Q. Have you any knowledge of the date when the information in regard to the Tennessee bank was given to the Comptroller?—A. I wrote a letter on the 12th of August, 1866, to the Comptroller, informing him that I had reason to believe that it was in bad condition.



- Q. Did you receive any reply?—A. I received a reply.  
 Q. Have you a copy of the letter?—A. I have not; I have the letter itself.  
 Q. You may produce it.  
 [The letter was produced. A copy follows.]

“TREASURY DEPARTMENT, OFFICE OF COMPTROLLER OF THE CURRENCY,  
 “Washington, August 14, 1864.

“DEAR SIR: Your letter of the 12th instant is received. I have received intimations of a similar purport before; and do not believe them entirely unfounded. I am also in receipt of a communication making charges against the National Bank of Vicksburgh, and I desire to have the condition and character of both institutions thoroughly tested. For that purpose I would be glad to have you report here at once, prepared to visit the points in question.

“Very respectfully, yours,

“H. R. HULBURD,  
 “Deputy and Acting Comptroller.

“JOHN BULL, Esq.,  
 “Metropolitan Hotel, New York City.”

By Mr. DOX:

- Q. This letter was written in answer to one written by you, advising him of your suspicions in regard to the Tennessee National Bank at Memphis?—A. It was.  
 Q. Did you come to Washington in response to this letter?—A. I did.  
 Q. Did you see the Comptroller?—A. I did.  
 Q. Did you have any conversation with him on the subject of the condition of that bank?—A. My recollection is that I did have some conversation with him.  
 Q. Do you recollect the purport of that conversation, so far as it related to his views of the condition of the bank?—A. No, sir; I do not know that he expressed himself decidedly in regard to it. He corroborated what was said in the letter. I had this interview with the Comptroller on the 18th of August.

By Mr. MONROE:

- Q. Then you went immediately to Memphis?—A. My report is dated on the 24th of August. I started from here on the 20th or 21st.

By Mr. MERRIAM:

- Q. Is what purported to be your report to the Comptroller, as published in the New York Tribune, correct?—A. It is entirely a subject of memory with me. It seems to me like the report.  
 Q. Is it correct in its main statements?—A. I think it is.  
 Q. Have you any knowledge how that came in the Tribune?—A. No knowledge whatever.  
 Q. You had no connection with its publication?—A. None whatever.  
 Q. Have you or have you ever had any knowledge in regard to commissions being paid by any bank which sought to get a charter?—A. Never. I have known parties outside of the Department get some compensation for getting charters—persons who were acting as claim agents and brokers here. I recollect Judge Embrey told me he got a charter, and had a compensation for it. I mean he got the papers, and got them in proper shape.

By Mr. RANDALL:

- Q. Did you ever know of the employment of a Mr. Hussey in that connection?—A. No, sir.

By Mr. SMITH:

- Q. Did Judge Embrey state what bank it was?—A. Some bank in Kentucky.  
 Q. Did he tell you what commission he received?—A. No, sir. General Jeffries once told me he got a bank charter. I cannot say he stated that he had a commission. I think I had a conversation with him about the amount generally charged for getting a bank charter; getting the papers and attending to the business with the Department at Washington. I think he said he got \$250 for getting the charter of a bank with \$100,000 capital. I made the inquiry, because I supposed I had obtained a charter, and I wanted to know what charge to make. But they did not succeed in getting the bank organized.

By Mr. RANDALL:

- Q. Do you know anything about a transfer of \$200,000 from the First National Bank of Washington to the Merchants' Bank of Washington?—A. I should be obliged to consider pretty closely to state what I knew and what I had heard, and to distinguish



between them. I examined the bank at the time of its failure, and I remember there was a great deal of excitement about the transfer of the funds to the Merchants' Bank. How much of my present impressions was derived from my own knowledge at the time, I cannot tell without referring to books and papers.

Q. Do you know upon whose recommendation that transfer was made?—A. I do not know.

By Mr. DOX:

Q. You have had some practical experience as an examiner of banks that have been recognized as in a failing condition. How soon is the shortest time, after the report of the examiner has been made, that you know of a receiver having been appointed?—A. I do not know the circumstances attending the appointment of a receiver, except in one instance. That was the case of the Merchants' Bank at Washington. In that instance the notes were presented for redemption on the morning of the day I examined the bank. They were not redeemed, and then the Comptroller of the Currency, Mr. Clarke, immediately appointed a receiver. He came down to the bank forthwith, and after I had completed the examination I turned over the assets of the bank to him. He was present that very day.

By Mr. SMITH:

Q. How did you first obtain your impression of the condition of the bank at Memphis, that you first communicated to the Comptroller?—A. I was sitting in the reading-room of the hotel, where I lodged, on the evening of the 12th of August, 1866, and some gentlemen were conversing in so loud a voice that I could not avoid hearing them, about the bank. One of them struck me as a judicious man, who said the bank was thoroughly rotten. After his friend was gone, I took the liberty of asking him further about the bank. He assured me of his means of knowing about the bank, and I addressed a note to the Comptroller, stating that I had information in regard to this bank which led me to believe there should be an examination of it.

Q. Did you state to the Comptroller how you had obtained the information?—A. I think I did not, distinctly. I simply stated that I had received information that seemed to me reliable, which indicated a bad condition of things.

Q. How long had you been engaged in the examination of the bank before you sent the report?—A. I commenced the examination on the 24th of August, and continued it during the following days till the 27th, when I went to examine another bank in Memphis; and on the evening of the 28th I wrote the report and mailed it in Memphis.

Q. Why did you date it on the 24th?—A. I always dated a bank report on the day commenced the examination.

Q. Did the Comptroller give you any written instructions?—A. He did not. He gave me the letter of appointment and authority.  
[The letter was produced and read.]

By Mr. SMITH:

Q. What was the tenor of the directions given you in regard to the manner and purpose of the examination of the bank?—A. I do not remember that he said anything more than that I was to make a thorough examination.

Q. Did he communicate to you any information that he had received from other sources?—A. I do not think he did, with reference to that bank.

Q. Did he say anything as to his impressions in regard to the condition of the bank?—A. I do not remember that he did; but I think he stated he had received some information about the bank.

Q. Did you get the impression, or did he say to you, that he thought the bank was in a bad condition, and needed attention?—A. My impression is that he did make some such remark corroborating the statement of the letter.

By the CHAIRMAN:

In this article in the Tribune, to which reference has just been made, it is said that "Mr. Rutter hurried to Washington after the report, and prevailed upon the Comptroller to take no action against the bank, alleging that the bad condition was owing to bad management of the cashier," &c. Do you remember any such fact? Have you ever made such a statement to the committee?—A. No, sir; I never made any such statement to anybody.

Q. It goes on further to say that "Mr. Hulburt asked Mr. Bull as to the propriety of his receiving \$500 from Rutter for the service of selecting a cashier for the latter." A. I do not think that is correct; I do not think that when Mr. Hulburt spoke of \$500, as offered by Mr. Rutter, anything was said about a cashier.

Q. And that he also stated "that a personal friend of Hulburt was chosen as cashier."—A. I never so stated; I never saw Mr. Hill, who was afterward appointed



By Mr. DOX :

Q. Is that report correct, that he asked you as to the propriety?—A. No, sir; I am not sure that he even did more than state the fact that Mr. Rutter had offered him \$500; or rather that he asked what I would think of a man who would make such an offer. It is my impression that he made some such inquiry as that.

By the CHAIRMAN :

Q. At any rate, you deny the correctness of this whole statement in this article?—A. I deny what I have denied; the whole thing I do not deny the correctness of.

Q. I mean this: that you stated to the committee that Rutter hurried to Washington, &c.?—A. I never stated that to the committee. Mr. Rutter was not in Memphis when I made the examination; he was absent, and, I was told, at the North. I do not know that he came to Washington until I came here, on or about the 10th of September; when I called on Mr. Hulburt, informed that Rutter had been here.

By Mr. RANDALL :

Q. Do you know how long Mr. Hill continued as receiver in this Memphis bank?—A. I have no idea.

Q. Have you no knowledge how we can get that information?—A. I suppose it is obtainable from the office of the Comptroller of the Currency.

Q. Do you know what compensation he got?—A. I have no idea.

Q. Do you know when the State of Tennessee, through its authorities, took possession of the bank assets?—A. I do not.

[A portion of the testimony of the witness, as previously taken in the committee, was then read, and stated by him to be correct.]

The following is the article referred to in the foregoing testimony:

### COMPTROLLER HULBURD.

TESTIMONY BEFORE THE BANKING AND CURRENCY COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

[From an occasional correspondent of the Tribune.]

WASHINGTON, February 28.

You have already learned through your regular correspondent that the testimony in the case of Comptroller Hulburt, elicited before the Banking and Currency Committee of the House, has developed some very suspicious facts, and that the charges against Mr. Hulburt have taken a serious shape. Within a few days still more damaging accusations have come to light. It is now asserted that the Comptroller unlawfully suppressed and failed to take action on the official report of Mr. John Bull, a national bank examiner, showing a condition of the Tennessee National Bank of Memphis, requiring the appointment of a receiver and the winding up of the institution; and that the Comptroller was influenced in this action by money paid to him by George R. Rutter, the president of the bank. The following is a copy of the report alluded to, omitting some important parts, together with the tabular statement of resources and liabilities and the more minute details given in the appendix and accompanying papers. The report dated August 24, 1866.

Examiner's report of the Tennessee National Bank of Memphis, located at Memphis, in the County of Shelby, State of Tennessee, August 24, 1866. George R. Rutter, president; Walter S. Morgan, cashier.

RECORDS.—Incomplete and imperfect. Election proceedings not recorded.	
DIRECTORS.—It is very doubtful whether any of the persons now acting as directors are legally such. This subject will be explained hereafter.	
DIVIDENDS AND SURPLUS.—The only dividend declared was on the 3d of April last, and purported to be for 15 per cent. No portion of the net earnings was carried to the surplus fund account as required by section 33.	
LOANS AND DISCOUNTS.—The stock notes held by the bank amount to \$55,300.	
LAWFUL MONEY RESERVE.—The lawful money reserved made necessary by the condition of the bank on the day of examination was.....	\$115,697 29
Amount in bank.....	\$93,527 17
Amount with redeeming agent.....	887 54
	<hr/>
	94,414 71
Showing a deficiency of reserve of.....	<hr/> 21,282 58 <hr/>



GENERAL REMARKS.— \* \* \* \* \* The foregoing statement of the condition of the bank is as the same appears on the books of the bank. I submit it because it is impossible for me to make a correct one, which would balance. This, however, is erroneous in many important particulars. I shall proceed to point out wherein it is incorrect, and to make such explanations as are required.

ITEMS 1 AND 3 OF RESOURCES.—My examination makes the "loans and discounts," and the "suspended debt," to fall short of the amounts given in the statement by the sum of \$2,091 84. Two days' search has not enabled them to discover the error, if it be an error.

ITEM 5 OF RESOURCES—"Overdrafts."—The two principal items of overdraft are one of J. W. Morrison, for \$8,199 11, and the other of John G. Owen, for \$18,043 70. Both of these are said to be secured by bills of lading on cotton, shipped to Philadelphia, which bills of lading are in possession of Mr. Rutter, the president of the bank, who is absent at the North. Hereafter, a full statement of the assets of the bank, which Mr. Rutter has taken away with him, will be given, to which attention is particularly invited. A full list of the overdrafts is inclosed herewith, marked "Appendix B."

ITEM 7 OF RESOURCES—"Due from other national banks."—This item is principally composed of an indebtedness from the National Bank of the Metropolis, Washington, D. C., amounting to \$618,250. It will be observed that this is precisely the amount received by the Tennessee National Bank, on deposit, from the State of Tennessee. It was, in fact, the identical money and securities received by the Tennessee National Bank from the State of Tennessee as a deposit, and almost immediately thereafter, to wit, on the 26th of June, 1866, loaned to the National Bank of the Metropolis of Washington, D. C., without security. It will also be observed that the National Bank of the Metropolis has an account on both sides of the foregoing statement, as it has two accounts on the books of the Tennessee National Bank. By the first of these accounts (which is called "special") there appears to be due from the National Bank of the Metropolis the sum of \$618,250, as above stated, and by the other there appears to be due to the National Bank of the Metropolis the sum of \$391,022 44. Deducting the balance of the latter account from the balance of the former, it leaves the sum of \$227,227 50 due from the National Bank of the Metropolis to the Tennessee National Bank. As a matter of course, this makes the solvency of the latter bank to depend upon the ability of the former to pay this debt, and shows the necessity of an early re-examination of it.

ITEM 10 OF RESOURCES—"United States bonds and securities on hand."—All of the securities composing this item that I have been able to find are as follows, viz:

7 3-10 Treasury notes .....	\$50, 650
5-20 bonds .....	1, 80
Stock of the National Insurance Company of Memphis .....	10, 00
Note of the Memphis and Ohio Railroad Company, due September 7, 1866 .....	1, 00
Note of the Mississippi and Tennessee Railroad Company, due August 12, 1866 .....	1, 00
Total .....	64, 45

This leaves a deficiency in this item of \$10,000, which the cashier explains as follows: viz: \$500 of the stock of the Memphis Post, (a newspaper,) the certificate for which is in possession of Mr. Rutter; \$10,000 in some other security, (the cashier does not know what,) also in the possession of Mr. Rutter.

Of the securities above named, the item of \$10,000 stock of the National Insurance Company is of very doubtful value. The company is owned and managed by two young men, named Campbell and Cary, who paid \$1,500 for an old charter, under which they are now operating. No money is known to have been paid in on their stock, except the sum of \$10,000, by Mr. Rutter, for which this stock is held as security. The Tennessee National Bank even owns the safe which the Insurance Company has in use.

ITEM 15 OF RESOURCES—"Cash items and revenue stamps."—At least one-half of this item would properly appear under "suspended debt." It consists of sundry overdrafts, checks and notes, and among which is the president's memorandum check for \$5,000 given for stock, as hereinafter stated. Not more than \$25,000 are current checks and drafts, which, with petty expense account, constitute legitimate "cash items."

ITEM 2 OF LIABILITIES—"Circulating notes on hand."—The amount of circulating notes on hand, as shown by the foregoing statement, is \$27,335, while the amount actually found in the bank is \$2,250 only. The difference is \$25,085. The cashier represents that these notes were signed by him, and taken away by Mr. Rutter on his journey North, as he alleged, for convenience, to be signed while absent. Mr. Rutter has, however, once returned to Memphis since the notes were taken away, and no part of them has ever been returned. I leave the Comptroller of the Currency to judge of the propriety of the long absence of these notes from the bank under the circumstances.

ITEM 1 OF LIABILITIES—"Capital."—I invite attention to the inclosed tabular statement, marked "Appendix A," relative to the capital stock and the payments and dividends.



dividends thereon. By this statement it will appear that the total amount of money paid toward the capital is..... \$40,700  
 Stock notes are held by the bank, a part of which are maturing after having been renewed, and a part are overdue, amounting to..... 55,300  
 Making a total of..... 96,000  
 or \$4,000 less than the nominal capital of the bank.

I have seen two or three of the largest of these nominal stockholders, who have given their notes, and am assured by them that they are unable, and never expected to pay those notes; that they were given at the request of Mr. Rutter, between whom and themselves a private agreement exists that he (Rutter) will give up their notes and take the stock to himself whenever they shall request him to do so.

It will be noticed that many of the small notes are overdue; also, that dividends have been paid on that part of the stock only for which cash has been paid. It is apparent to me that a large part of the notes given for stock are valueless, and known to be so, and so considered by all parties connected with the bank.

ITEM 3 OF LIABILITIES.—“State of Tennessee.”—This deposit, amounting to \$618,250, was obtained in June last, and at that time the expense account of the bank is charged with about \$7,000 for expenses incurred in Nashville. To secure the State, a penal bond was given in the sum of \$200,000. As before stated, the whole deposit was at once transferred to the National Bank of the Metropolis, Washington. I forbear making any comments.

The following is a list of the assets of the bank in the possession of Mr. Rutter, the president, who is absent, journeying, it is said, for pleasure with his family:

Bills of lading on cotton in Philadelphia:	
J. W. Morrison's.....	\$8,199 11
John G. Owen's .....	18,043 70
Certificate of stock in the Memphis Post.....	500 00
Other security not known to the cashier.....	10,000 00
Circulating notes of the bank.....	25,085 00
To this should be added Mr. Rutter's liability to the bank, as follows, viz:	
Memorandum stock, check for.....	5,000 00
Stock note for.....	2,800 00
Total .....	68,527 81

Mr. Rutter is said to be in New York, and may be heard of at the Croton National Bank.

In view of the facts developed by this examination, I am compelled to recommend a further withdrawal of United States deposits to the amount of about \$20,000, after which the securities in possession of the Treasurer will be ample, and, also, that instructions be sent to the revenue and other officers at this point to make their future deposits in some other depository.

\* \* \* \* \*

JOHN BULL,  
*Examiner.*

The COMPTROLLER OF THE CURRENCY,  
 Washington, D. C.

The National Bank of the Metropolis, of Washington, to which the Tennessee school fund of \$618,250 was so promptly transferred without security, was, at the time of such transfer, rapidly approaching insolvency. It was shortly afterward placed in the hands of a receiver. The loss of this money occasioned an investigation by a committee of the Tennessee legislature, by which it was developed that the State auditor and treasurer had been bribed by Rutter or his agents, in order to obtain the deposit. It also appeared that certain Congressmen were implicated, which, to some, may explain why the fraud was not pursued further.

Among the witnesses who have testified before the Banking and Currency Committee are Examiner Bull, George R. Rutter, formerly president of the bank, James F. Howenstein, and a gentleman who is now clerk to one of the House committees, but who was, at the time Mr. Bull's report was submitted, a clerk in the Currency Bureau. Mr. Bull's testimony fully sustained the charges. He stated that Rutter hurried to Washington after the report, and prevailed upon the Comptroller to take no action against the bank, alleging that its irregular condition was owing to the bad management of its cashier; that Hulburd asked him (Bull) as to the propriety of receiving \$500 from Rutter for the service of selecting a cashier for the latter; and that a personal friend



of Hulburt was chosen as such cashier, who, ten months afterward, was appointed receiver of the bank. It will be shown before the investigation is concluded that Mr. Bull, one of the most efficient bank examiners of the Bureau, was removed by Hulburt through the influence of Callender, the late New York examiner. Rutter testified that he had paid \$500 to Hulburt, and about \$2,300 to James T. Howenstein, who at that time was chief clerk of the division of reports under Hulburt, and whose lips it was necessary to seal. The testimony of the witness referred to as at present clerk of a House committee fully corroborated that of Bull, and, in some respects, that of Rutter. It appears that Rutter told him that he had "fixed up his matter," and his bank would not be put into the hands of a receiver.

Mr. Hulburt's first term of office under the law expired on the 6th instant, and his nomination was on that day sent to the Senate and confirmed. There is something in relation to this matter worthy of notice. It is safe to assume that the Secretary of the Treasury, whose integrity no one questions, would have hesitated about making the reappointment of Hulburt had he known of the investigation going on before the Committee on Banking and Currency. Why was he not informed? Four, if not five, of the members of the committee supposed that he was so informed; and the nomination of Hulburt, followed by his speedy confirmation, was as much a surprise to them as it was to the banking interest of the country.

Other evidence, showing that Rutter was compelled to give Hulburt an expensive double carriage and harness, and that he (Hulburt) received other presents for his official acts, has been adduced. And the fact that Hulburt allowed, in the account of the receiver of the Union Square National Bank, the item of "\$3,700, expense of trip to Washington"—even in these days of expensive traveling, quite a remarkable item—which has been developed by the examination, will be received with still greater surprise.

WASHINGTON, D. C., *March 14, 1872.*

WILLIAM H. BARTON duly sworn and examined.

By the CHAIRMAN, (Mr. HOOPER:)

Question. State your name, residence, and occupation.—Answer. William H. Barton I reside in Washington; am law clerk to the Solicitor of the Treasury, in the Department of Justice.

By Mr. MERRIAM:

Q. What do you know about Mr. H. H. Smith's character, the present clerk of the Committee of Claims of the House?—A. In March or April, 1868, I was appointed clerk in the office of the Comptroller of the Currency, in the Treasury Department, and was there first made acquainted with Mr. Smith, who was a clerk in the same division. I was associated with him from that time till June, 1869, when I was transferred to the office of the Solicitor of the Treasury. I was intimately associated with him as a clerk; was employed on very much the same kind of work. So far as could speak, especially as to his character, I should say that I believe him to be a man of a good character. I never heard anything against his character.

Q. Do you believe him to be a man of veracity?—A. Yes, sir; I never heard his veracity impugned by any one.

Q. Do you know anything in connection with the subject-matter of this investigation further than that with reference to Mr. Smith?—A. No, sir; as I understand the subject of the investigation, I have no knowledge of it.

Q. Have you any knowledge of any commission being paid on the sale of currency?—A. The only knowledge I ever had of anything of that kind was in the case of a person who was employed in the office, who said to me he had been employed in that way; and he was soon after discharged by the Comptroller of the Currency on that account. The statement he made to me was, that there was money to be made in the negotiation of broken-bank bills; that is, bills of suspended national banks. His name is Perkins, I believe.

Q. You simply said that Mr. Smith, as far as you have ever heard or known of him, is a reliable man, and you would believe him under oath?—A. Yes, sir; he is a reliable man, and had that reputation with his superiors, and also of being a very efficient clerk; at least he was assigned to work that required the highest talent except that of the chief of the division. When he left the office his health was poor, and he desired to get some business in the State of Michigan, where he had resided; and he was appointed an assistant marshal there, I believe; and for that reason he either resigned or took a leave of absence, I am not sure which, for the purpose of entering on the duty of assistant marshal in the State of Michigan, to be employed in taking the last census. We were in the division of the examiner of reports, and Mr. Smith was assigned one of the most important desks in that division except that of the man who had immediate charge of the division.



WASHINGTON, D. C., *March 15, 1872.*

Hon. AUSTIN BLAIR, Representative from Michigan, appeared before the committee and stated that he knew the witness, H. H. Smith, very well, and had known him for ten years. He was clerk to his (Mr. Blair's) committee, the Committee of Claims. His character was very good.

By Mr. DOX :

Question. Is he a man of truth?—Answer. Yes, sir; I should trust him unreservedly in that respect.

Q. You have had opportunities of testing his character?—A. Yes, sir; I have known him intimately for ten years. He has been in the habit of visiting at my house freely all the time. I know him as well as I do anybody.

By Mr. MERRIAM :

Q. It has been stated here that he was a busy-body, and [unreliable] as a witness.—A. I do not consider that to be so. I certainly have never known him to be so, and my opportunities for knowing him have been very good indeed.

WASHINGTON, D. C., *March 15, 1872.*

H. H. SMITH recalled, and examination continued.

By the CHAIRMAN :

Question. You stated yesterday that if Mr. Hopley had been in the office in 1866 you would have known it.—Answer. No; I do not think I said that. I said that if he had been a clerk in the division of reports I should have known it.

Q. I asked you yesterday, in reference to the letter which we had here, as a copy of the reply of the Comptroller, dated September 15, 1866, in regard to Mr. Bull's report, whether, if you saw the letter written in September, and knew it to be in Hopley's handwriting, you would believe he wrote it?—A. It would be a fair conclusion that he did.

Q. If he had written it, then somebody else could not have written the letter based on that report?—A. I presume not, though somebody else may have duplicated it, or written substantially the same letter. It often happens that, after a letter is written, it is completely changed by the Comptroller.

Q. You said yesterday that if there had been a press-copy taken, which could be shown in its proper order in the press-copy book, in Mr. Hopley's handwriting, that would satisfy you that Mr. Hopley had written the letter?—A. Certainly, sir. I cannot swear, however, to Hopley's handwriting. I had but a slight acquaintance with him. He was a clerk in the Bureau before I was appointed. He resigned in 1864, and was afterward back there; but I understood he was not employed as clerk. He was not a clerk in the division of reports.

Q. Was he employed there?—A. I do not know as to that. I stated that he was about the Comptroller's room, and was doing some work. He did, perhaps, some work for Mr. Clarke, in Mr. Clarke's room.

Q. Mr. Clarke had left the office in 1866?—A. This was in 1865, before Mr. Clarke left.

The CHAIRMAN. We are speaking of 1866.

The WITNESS. Mr. Hopley did, I believe, some work in Mr. Clarke's room before Mr. Clarke's resignation.

Q. My question is, whether, in 1866, he was employed in the room in which you worked?—A. No, sir; he was not, to my knowledge.

Q. Here is the letter-book, and here is a press-copy of the original letter, [exhibiting them to witness,] and here is the record of it in its proper sequence in the letter-book, with Mr. Hopley's name in the margin; does that mean that Mr. Hopley wrote the letter?—A. Yes; the initials of the writer are usually entered. I have nothing more to add to the statement I then made, that Mr. Howenstein wrote the letter, and I cannot state why my recollection is clear on that point. I speak of the letter which I copied. This letter here, in the letter-book, is not the letter at all. Mr. Howenstein went out of the room with my copy of the letter in his hand. I took the original and laid it in the drawer, as I did with a good deal of his important letters. I laid them aside for some time being in order to look them over afterward. I was trying to familiarize myself with the general principles that governed in the examination of banks. And I did so with this letter. The copy that I wrote Mr. Howenstein took into Mr. Hulburd's room. He came back ten or fifteen minutes afterward with the letter in his hand, and apparently angry. He threw it down, and took his hat and went out. He came back soon and tore the letter in two, and threw it on the floor. I took it and put it in the drawer; it was torn just down the middle.

Q. Why did you keep it after it was destroyed?—A. For the reason I have stated—



that I desired to familiarize myself with the system of business, and with the points made in the letter. It was considered a little remarkable by one or more clerks that some action was not taken on the report at the time. I laid it by with no other purpose than I had in keeping other letters of that sort. When I afterward changed from the tall desk to the lower one, that letter was in the desk, and remained there till I resigned.

Q. How do you explain your statement that the clerks were surprised that no action was taken, when it appears by the records that action was taken?—A. There was no action taken on his letter.

Q. Did the clerks all know about this letter?—A. No; only one or two of them. This letter in the letter-book was written on the 15th of September, and Mr. Howenstein's letter was written on the 3d or 4th of September—very early in September, not longer than two or three days after the receipt of the examiner's report, and about the same time that Mr. Bull handed in a supplementary report of that examination.

The CHAIRMAN. Mr. Bull testified yesterday that he handed that in between the 10th and 12th of September.

WITNESS. The report ought to show the date of its receipt in the office. There was usually a printed stamp on each report. They were opened by the mail clerks and stamped. Every letter and paper was stamped, and that report ought to show the date of its report in the office.

Q. But you say this letter was written after the supplementary report?—A. No, sir; it was written a few days before the supplementary report was received. When that supplementary report was received, Mr. Howenstein remarked to me that that strengthened him in his opinion.

Q. I suppose you saw Mr. Bull's original report?—A. Yes, sir, I did, and examined it.

Q. Do you recognize this [handing a paper to the witness] as the report?—A. Yes, that is the original report. There are Mr. Howenstein's initials on it, and there are mine in the corner. I examined the report. My initials, H. H. S., show that I had it and examined it.

Q. Did you record it?—A. No, sir; these reports went to different books, according to the organic number of the bank; and this report would go to the clerk who had the record of that bank. My duties were to examine the reports as they were received and generally under Mr. Howenstein's direction. I examined both the quarterly reports and the examiner reports.

Q. But it would be recorded immediately after your examination?—A. No, sir; these were not copied into the books for some year or two afterward, and some of them were not copied for three years. I think it was three years afterward that another clerk and myself took three books and copied in them all the bank examiners' reports.

By Mr. MERRIAM:

Q. Are these reports of the examiners kept in the books of the Department?—A. Yes; they are.

Mr. MERRIAM. Why did you not get a copy of it before?

WITNESS. All these reports were put on file. There were one or two clerks who pursued that work steadily, and must have copied all the reports in their books, commencing with the first bank that was organized—the First National Bank in Philadelphia—and going up to No. 200. All the reports between those two numbers would go into that one book. Another clerk would copy into another book all the reports from No. 200 to No. 400. Two or three clerks were behindhand, and under Mr. Magruder the records were brought up. That fact can be substantiated by the testimony of Mr. Kassen, and other gentlemen who recollect the records being brought up in that way. After Mr. Magruder succeeded Mr. Howenstein as chief of the division, Mr. Magruder commenced the work of bringing up the records, and it was done in that way.

Q. It seems that this report of Mr. Bull's has disappeared from the Department; can you give an explanation of that fact; how came it out of the Department, do you know?—A. No, sir. I received the report about a month ago through the mail—the original report; it was sent to me with a letter which I have now at my house; the letter came to me through the mail. My first impression was to return it to the Controller; but the character of the letter will explain itself. I held the report, and took no action upon it.

By Mr. RANDALL:

Q. You said yesterday that you did not leave the report at my house?—A. I did not leave it.

Q. Do you know who did leave it?—A. No, sir; the report was taken from me by a newspaper reporter, Mr. Radebangh, to copy. He came to me for a copy of the report, and I let him take it.

By Mr. COX:

Q. How did he know that you had it?—A. I do not know. He came to me and



that he understood that I had a copy of the report. He was formerly a clerk in the Third Auditor's Office.

By the CHAIRMAN:

Q. Is he in Washington now?—A. I think he is; his name is R. H. Radebaugh.

By Mr. RANDALL:

Q. Do you know whether he left it at my house?—A. I do not know that he did.

By Mr. MONROE:

Q. Has he returned it to you?—A. No, sir; I never have seen it since till yesterday, when Mr. Randall showed it to me as I was leaving the committee-room.

Q. That report is part of the regular files of the office?—A. Yes, sir.

By the CHAIRMAN:

Q. I asked you yesterday who furnished the Tribune with a copy of Mr. Bull's report, and you said you did not know?—A. No, sir; I do not know.

Q. Had you not a strong suspicion?—A. I had a suspicion, but I had no knowledge.

Q. It did not amount to knowledge?—A. No, sir; Mr. Radebaugh was a correspondent of some three or four other papers. He was writing letters to the New Orleans Times and other papers. He wanted it to get the points, as he said it was a matter of public interest, and he took the report to make a copy.

By Mr. COX:

Q. Have you any idea you stole the report?—A. No, sir; I had an idea that it came from a certain clerk; but I never have asked him about it.

By the CHAIRMAN:

Q. You think that it was stolen recently?—A. I suppose so; it came to me recently. I forget now whether the report was received through the mail. When I went home from the Capitol on that day my wife handed it to me with some other letters and papers that came by mail; but I do not recollect whether or not there was any postmark on the envelope. I think, however, that I have the envelope.

By Mr. DOX:

Q. Is the letter signed?—A. No; there is a star at the conclusion of the letter.

Q. Did you receive that report since you first gave your testimony here, or prior to?—A. It was before I gave my testimony here.

By the CHAIRMAN:

Q. You did not think that a fact so important that it should be mentioned to the committee?—A. If the question had been asked me, I should have told it; but I was not asked the question. You asked me about my actual knowledge; you did not ask me whether I had a suspicion.

Q. Do you think that was telling the whole truth when you had the report in your possession at the time?—A. I did not have it in my possession at the time. I had received the report and had parted with it. I had not it in my possession at the time.

Q. To whom had you parted with it?—A. To Mr. Radebaugh; and I wish to connect him with this particular transaction. He had been to me four years before for the same thing. He was a room-mate of Mr. Howenstein's, and when he resigned he went South, New Orleans, as a clerk in the custom-house. He came to me saying that he suspected Mr. Howenstein had been bribed, and he wanted to trace out some things. He had heard some charges against Mr. Hulburd, and he came to ask me what information I could give him. I told him I had none to give. I was then a clerk in the Department. About a week after that I was sent for by Mr. McCulloch.

Mr. COX. It is not necessary to go into that.

WITNESS. I want to show that he must have come to me from the knowledge he then had in regard to it. He came to me to know if I could throw any light on the subject. I told him that I had received the paper, and I gave him the report; I afterward told him I would have nothing further to do with it, and I do not know what he did with it.

By Mr. MONROE:

Q. Did it seem to you that that report was your property, in any sense, so that you might rightfully retain it?—A. I was not clear about that.

Q. To whom does that document belong?—A. It belongs to the files of the Department.

Q. Did you not know it to have been stolen from the files of the Department?—A. It was taken from the files of the Department. The party stated in the letter to me that he did not desire to steal the report, or to destroy or mutilate it in any way, and that he wanted it returned after the committee should have used it.



The CHAIRMAN. And yet you came before the committee after that and did not state a word about it?

WITNESS. I was not asked specifically about that, and I volunteered nothing.

By Mr. COX:

Q. Do you know the handwriting in that letter?—A. I do not.

Q. Who do you suppose wrote that letter?—A. I have no idea as to who did. The handwriting is entirely unknown to me.

By the CHAIRMAN:

Q. You said yesterday that you did not know who furnished the Tribune a copy of Mr. Bull's report.—A. No, sir; I do not.

Q. And you were also asked if you had anything to do with the preparation or furnishing of the materials for the article in the Tribune.—A. I do not recollect being asked that question.

The CHAIRMAN. I asked you that question myself, and you answered me that you "Did not say you did not." I put the question to you now: had you anything to do with the preparation or furnishing of the materials for the article in the Tribune?—A. I had to that extent, but I understood you to ask me if I wrote the letter.

Q. Had you anything to do with the preparation or furnishing of the materials for the article in the Tribune?—A. I do not know whether that article was furnished by Mr. Radebaugh or not. That is the point I make.

By Mr. COX:

Q. Did you do any part of the composition of the article?—A. No, sir; Mr. Radebaugh asked me certain questions about it with which he was not familiar, and which I answered specifically. I do not know who wrote the letter.

By the CHAIRMAN:

Q. But you knew that he was writing an article?—A. I supposed he was writing for the New Orleans Times, as he was a correspondent for that paper.

Q. Then you did furnish materials and assist in the writing of that article, did you not?—A. No, sir; I did not assist in the writing of the article.

Q. You furnished the data for it, as that was undoubtedly the article which Mr. Radebaugh wrote?—A. I do not know that; he may have written three or four letters.

Q. You did assist him in writing an article?—A. An article, not *that* article.

Q. How do you know it was not that article?—A. He asked me particularly as to certain points, and no part of them was used in the Tribune article at all. Therefore I did not assist in preparing the Tribune article.

By Mr. COX:

Q. Tell us on what day you got that report?—A. I will bring the letter before the committee, and perhaps it will show the date.

[Part of the testimony of Senator Chandler, in which he stated that he would not believe the witness under oath, was here read to the witness.]

Q. Is there any prejudice on the part of Senator Chandler against you, and if so why?—A. Mr. Chandler never wrote me any such letter as he speaks of. He did write such a letter to a gentleman whom he removed from office, because he suspected was the author of a letter published in the paper which I was publishing in Michigan—the Kalamazoo Telegraph. Mr. Atlee, the gentleman who was removed, stated that he would furnish him his own affidavit, as well as mine, that he did not write the letter, and Mr. Chandler replied that he would not believe either of us on oath.

Q. What is the reason of Senator Chandler's enmity to you?—A. Because I refused to give up the name of the correspondent.

By the CHAIRMAN:

Q. What was the purport of the letter?—A. I have it in my pocket and will read the portion referring to Senator Chandler.

Witness read as follows:

"Our Michigan association has done little or nothing this summer, but ere Congress convenes we shall organize anew for a vigorous winter campaign. Just now the subject of importance discussed among us Michigan clerks is the removal of Redfield, special agent for the detection of mail depredations in Michigan and Indiana. Associated Press dispatch stated that Redfield was removed at the instance of Senator Pomeroy. I happen to know the facts in the matter, and while it is true that Senator Pomeroy consented to request the removal of Redfield, it was simply to please a friend Senator Chandler. This is, of course, a matter of great astonishment to those who know nothing of the recent developments, as Redfield has long been one of Senator Chandler's most trusted 'henchmen.' The facts are that Mr. Redfield—whether at a moment of conviviality or not is of no importance—revealed to a friend certain



which should have been kept a profound secret under the circumstances. The secret disclosed by Redfield was in relation to some of Senator Chandler's amours, in which it seems Redfield played the part of sentinel for the amorous Zachariah, which employment according to all accounts was one in which Redfield is particularly qualified by long experience. It is also stated that Redfield informed his friend (?) of certain business transactions in which he had played go-between for Chandler and other parties, which would hardly bear the light, and that in fact, to use Redfield's own words, 'he (Redfield) could wind Chandler around his finger.' Redfield's 'revelations' were, of course, communicated to Mr. Chandler, and though that gentleman was well aware of the value of Redfield's services to him, he was compelled to 'decapitate' him in spite of the remonstrance of his colleague, Senator Ferry, for whom Redfield had rendered valuable services during the last senatorial campaign at Lansing.

"Redfield has done during the past ten years a great deal of dirty work for his master, but that would not save him. Whether his punishment for 'blabbing' will prevent any further 'developments' remains to be seen. Certainly Redfield could tell some 'queer' stories if disposed, and it is to be hoped that he has the disposition."

WITNESS. That letter was written by a clerk in the Departments here, and because I would not give up the name of the writer, Mr. Chandler pitched into me.

By Mr. Cox :

Q. And is that the occasion of his saying that he would not believe you under oath?—A. I suppose it is. Mr. Chandler had before given me his indorsement.

Q. How did you come to be appointed clerk to a committee of the House? He says he did not recommend you for the appointment.—A. No, sir; I was appointed by Governor Blair.

Q. Did Mr. Chandler recommend you for that appointment in the Treasury?—A. No, sir; I should say not.

Q. Did he ever recommend you for any appointment?—A. Yes; he recommended me for a consularship, and also, I think, for supervisor.

Q. After you published this letter?—A. No, sir; before. He indorsed one or two letters as to my character and reliability. I have an article here, published in a daily paper in Mr. Waldron's district—the Adrian Times—which says:

[From the Adrian Times of October 2, 1871.]

"A RIDICULOUS STORY, PROBABLY.—The special Washington dispatches to both the Chicago Times and the Chicago Tribune, on Saturday, contained nearly similar paragraphs in relation to a recent visit to Washington, by Senator Chandler. We copy the paragraph which appeared in the Times, as it is the most explicit:

"A short time since the Kalamazoo Telegraph, a radical paper, contained a Washington letter reflecting on the morals of Senator Zach. Chandler. The latter suspected that it was written by a Michigan clerk here, and endeavored but failed to ascertain the name of the author from the editor of the paper. He came to Washington and pounced upon a clerk in the Indian Bureau, whose head was at once chopped off by Secretary Delano, despite the fact that the clerk and editor were both willing to make affidavit that the latter was an innocent party. Chandler was inexorable, and would not consent to the restoration. Postmaster Stone, of Kalamazoo, who is one of the proprietors of the Telegraph, will probably be removed next."

"This seems to us a very silly and improbable story. Senator Chandler is surely too old a politician to pay such particular attention to a newspaper paragraph. But the whole bother grew out of a recent removal of Mr. Redfield. It will be remembered by our readers that shortly after that event, the Kalamazoo Telegraph insinuated that some official derelictions of Mr. Redfield had occasioned his dismissal. We informed the Telegraph at the time that Mr. Redfield's removal was on account of personal reasons alone, and soon afterward a Washington correspondent of that paper confirmed what we said, making more particular mention of the cause, however, than we thought proper to give. We heard soon after this correspondence appeared, but did not believe the story, that Senator Chandler, premising that the communicative correspondent was a clerk in one of the Departments at Washington, had donned his war-paint, and proceeded to the capital, intent on the scalp of the unfortunate scribbler. We are surprised to see the story receive the authentication of two correspondents usually so well-informed as are the Washington representatives of the Chicago papers we have mentioned above. But we trust that the official head of our friend, Dr. Stone, the Kalamazoo postmaster, will not rest the less easy on his pillow because of this item. It should not for two reasons: first, because he was in no way responsible for the appearance of the letter which is said to have made this trouble, for his connection with the Telegraph ceased some time since; and, secondly, because a story nearly identical with the one told by the Telegraph is current all through this congressional district, and Senator Chandler is far too wise a man to attempt the job of 'going for' all who have rehearsed the story of Redfield's downfall. Hence we think the story of the Senator's



visit to Washington a ridiculous fabrication. Either that, or Mr. Chandler is lacking in his usual shrewdness."

And also the following from the Chicago Tribune of October 7, 1871 :

[From the Chicago Tribune, October 7, 1871.—Editorial.]

"Let a truce of forty-eight hours be called in the war which some patriotic, but perhaps misguided citizens have commenced to wage upon the existing system of civil service appointments and dismissals; for if these could not be used as the weapons of a Senator for rewarding his primary packers, and punishing the villains who do not do him homage, how could Chandler, the great Michigan statesman—he who Rareys the British lion, and yokes him, like the whirlwind, to his copper-bottomed car—how could he have taken vengeance, as he did the other day, upon the author of a story derogatory to his (Z. C.'s) fame? It was printed in the Kalamazoo Telegraph and came thither from Washington. The identity of the writer is to the great Michigander unknown; but this he does know, that he wants revenge, and is bound to have it; that the Telegraph is published in Kalamazoo; and that one of its proprietors is named Stone. With these data in his red right hand, Z. C. has proceeded to Washington, and, as we learn from the Detroit Tribune, commenced a general slaughter of Federal officials whose name is Stone, or who hail from the vicinity of Kalamazoo. He stalks sullenly from Department to Department, and from Bureau to Bureau, brandishing his hatchet aloft and muttering, *fee! faw! fum!* He has already several heads in his basket, none of which have been responsible for the scandal. He is still on the war path, however, and will not give over until he has taught all Michigan and all Washington that hell has no fury like a Chandler scorned. But if the hatchet of official decapitation were to be withheld from such political tomahawkers as Chandler, how could they revenge themselves when rudely exposed in print? And where would be the dignity of the Senate? It is, therefore, that we call for a short but solemn truce—during which, however, the enraged Michigander is expected to slash away with his hatchet."

Mr. Chandler wrote a letter to friends of his in Kalamazoo, demanding the name of the author of this letter, and I refused to give it.

Q. That is the only reason you know for his enmity?—A. That is the only reason.

By Mr. DOX :

Q. Did he raise any question of veracity in that connection?—A. The only correspondence I had with Mr. Chandler was a letter I wrote to him stating that Maj. Atlee was not the author of the letter and knew nothing of it, and ought not to be held accountable for its publication.

By Mr. RANDALL :

Q. You did not give up the author?—A. No, sir; and never will.

By the CHAIRMAN :

Q. Do you know a man named S. M. Cutchon, the bank examiner from Michigan?

A. Yes.

Q. Did you ever write him a letter saying that Mr. Hulburt wished him to resign?

A. No, sir. I tried to make an amicable arrangement with Mr. Cutchon, in accordance with Mr. Hulburt's own suggestion.

Q. You never wrote to him saying that Mr. Hulburt wished him to resign?—A. I had been recommended for the appointment of examiner in Michigan, and, as my health was bad, Mr. Hulburt, to whom I applied on the subject, suggested that I should make an amicable arrangement with Mr. Cutchon, which I proceeded to do. I wrote him a letter saying that I desired to make such an arrangement.

By Mr. DOX :

Q. That letter was an implied request, or a direction, that he should give up the position, so that you might take it?—A. With the assent of Mr. Hulburt. It was to be understood as an amicable arrangement between Mr. Hulburt, Mr. Cutchon, and myself. I think I wrote to Mr. Cutchon subsequently, saying that I never intended to have him draw any such conclusion whatever.

By the CHAIRMAN :

Q. Did he draw that conclusion?—A. I think he did; but I think that in a subsequent letter that impression was removed.

Q. He inferred from the letter that you had been instructed by Mr. Hulburt to have him to resign?—A. He inferred that, I suppose; but his inference was not correct. I wrote to him subsequently, saying that I did not intend to convey any such idea, and I do not think that my letter was susceptible of any such construction.



By the CHAIRMAN:

Q. Is Mr. Catchon a clear-headed sort of man, so that he could comprehend the meaning of a letter?—A. I do not know as to that. He is a gentleman of good standing in Michigan. He never has been a banker, I believe. He was appointed examiner early in the organization of the Bureau, I think.

By Mr. HULBURD:

Q. I wish to inquire of you whether, in the year 1866, you took the leave of absence customary for clerks?—A. Yes, sir.

Q. When did you take it?—A. In August.

Q. What were the dates?—A. I do not recollect.

Q. Do you recollect when you left Washington?—A. I do. I left in the latter part of July, four or five days ahead of my time.

Q. Where did you go on that occasion?—A. I think I went West.

Q. Do you recollect when you returned?—A. Yes; I think I returned on the 1st of September. I was five days ahead of my time. I met with an accident on my return, and was about the office two or three days before I went to work.

Q. You are sure that you were in Washington on the 1st of September?—A. I think it was about the 1st. I know that I was here on the 3d of September.

Q. And were at work in the office?—A. No, sir; I think not. On my return I was hurt on the cars.

Q. When did you resume work in the office?—A. I do not recollect as to that. I am not clear whether I resumed work within a week or ten days. It was some week or so.

Q. You returned on the 1st of September, and did not resume work for a week or so?—A. That is my impression. I resumed work within a week after I returned, to the best of my recollection.

Q. You would not be positive that it was within a week?—A. It was within a week, I think.

Q. What enables you to fix the time?—A. Simply because I was about that length of time about the house and about the city. I had been hurt on the head on my return.

Q. What was the length of your leave of absence?—A. A month.

Q. That was the length of time accorded to you in your formal leave?—A. Yes; and I went away a week before my leave commenced.

Q. You say that this letter of Mr. Howenstein's was written within a day or two of the receipt of Mr. Bull's report?—A. Within a day or two after it was received in the division. The report itself may have been held in the office a week before it was brought up for action. It may have been held open for some days; but it was within a few days after I first saw the report—after Mr. Howenstein brought it to my attention.

WASHINGTON, D. C., March 15, 1872.

SOL'N M. CATCHON sworn and examined.

By the CHAIRMAN:

Question. State your residence and occupation.—Answer. My residence is at Ypsilanti, Michigan. I practice law, and am also bank-examiner for the State of Michigan.

Q. Did you ever receive a letter from H. H. Smith, saying that Mr. Hulburd requested your resignation of the office of examiner?—A. Some two years ago, I think, I received a letter, the exact substance of which I am unable to give; but the purport of it, as I recollect it, was to this effect: Mr. Smith was then in the office of the Comptroller of the Currency. He wrote me a letter of several pages, on the paper of the office. In that letter he quoted what purported to be a lengthy extract from a letter written by the Comptroller of the Currency to some other bank-examiner. The purport of the letter was, as I recollect, that my resignation of the office of bank-examiner would be acceptable to the Comptroller. As I recollect it, it was a substantial request that I should resign in his favor as bank-examiner for Michigan, saying that an arrangement of that kind would be satisfactory to the Comptroller of the Currency. Whether the letter is in my possession or not I do not know. I inclosed it to Senator Chandler, Senator from Michigan, with a request that he should present it to the Comptroller and ascertain if it was written with his authority, and, if so, tendering my resignation peremptorily, which had already been in the hands of the Comptroller for some time, subject to his acceptance.

Q. Do you recollect the reply that you received from Senator Chandler?—A. Yes, sir; the reply that I received was, that the letter was written without the knowledge



of the Comptroller, and that not only did Mr. Hulburt not desire any change of the kind, but that he was very anxious that I should retain the position which I had occupied several years.

Mr. Cox inquired of the chairman the object of the testimony. Was it to impeach the credit of the witness, Smith?

The CHAIRMAN replied that it was.

Mr. Cox, (to witness.) You never got any second letter from Mr. Smith?

WITNESS. I received, I think, two letters from Mr. Smith, but whether they were both received before I received this answer from Mr. Chandler I am unable to say.

Q. What was the purport of the last letter?—A. I cannot really say whether the principal letter was first or second. I think the principal letter was first; I mean the one in which he quotes at length from the official correspondence of the office.

Q. You do not know whether the letter that you sent to Senator Chandler was the first or second?—A. I am unable to say.

Q. Did you ever get a letter from Mr. Smith, saying that he had never meant to express the idea that Mr. Hulburt desired your resignation?—A. I cannot tell that that was its purport. I replied pretty tartly to Mr. Smith's letter, because it struck me as remarkable. What the purport of his answer was I cannot say. There was a second letter written.

By Mr. RANDALL:

Q. You recollect the first letter, not the second?—A. The second letter was a brief letter. That is my recollection of it.

By Mr. DOX:

Q. Was the effect of the second letter to relieve your mind of the impression produced by the first?—A. I would not quite say that. I think it was a letter the effort of which was to indicate that he did not mean to frighten me into resignation, as I had suspected at first. I should think that was about the substance of it. I think he meant to convey to my mind that I had misconstrued his first letter. That would be my recollection about it.

By Mr. COX:

Q. Did he say anything about his intending simply to have a temporary absence for the summer?—A. In one of his letters he said that his health had failed, and that he wanted a vacation in the field. Which letter that was I am unable to say; but that was the excuse, and I should rather say that that was in the first letter—the principal letter.

Q. Did you gather from this correspondence the idea, or do you wish to convey the idea, that Mr. Smith had acted perfidiously toward his principal?—A. I dislike to give simple impressions. I regret that I have not got the letter with me. My best recollection, and the impression which I received from the whole of it, was that it was an intimation from Mr. Smith, bearing the appearance of authority so much so that I was in doubt whether or not it was written by Mr. Hulburt's authority or cognizance or knowledge, so that, instead of returning it directly to Mr. Hulburt, I forwarded it to Senator Chandler. The whole impression that it gave me was, that Mr. Smith wanted me to understand that it was the safest thing for me to get away.

By Mr. MONROE:

Q. What was the purport of the extract embodied in Mr. Smith's letter?—A. I should think that he copied pretty much a whole official letter to some other bank-examiner, in which that bank-examiner is relieved from his duties in some field, saying that it was desirable that some change should be made in the bank-examiner, as he could see himself, or something to that effect. The letter went on to say (whether it was in the extract or not I cannot say) that, by making an arrangement with Mr. Smith, I would save the Comptroller the painful necessity of making the change arbitrarily.

Q. Was there something about yourself in that letter addressed to another bank-examiner?—A. He quoted the language applied to some other bank-examiner, in order to show me the policy of the Department.

Q. It was a sort of model letter?—A. Yes.

By Mr. DOX:

Q. Did you recognize it as an extract?—A. That is what he said—that that was policy adopted by the Department. That was about the purport of it.

By Mr. RANDALL:

Q. Were you to be transferred from one place to another, or to be relieved altogether?—A. My recollection is that I was to be relieved altogether.



By Mr. Cox:

Q. Was it to be a temporary relief?—A. I did not gather that.

Q. Do you recollect the dates of these letters?—A. I cannot tell, but I should think it was about two years ago this spring.

Q. How long a time elapsed between the two letters?—A. I think I probably answered his letter at about the same time that I forwarded it to Senator Chandler; that would be my recollection about it. I think it very likely that I said to Mr. Smith that my resignation had been at the option of the Comptroller for some time, and that I thought that was a novel way of arriving at the result. That would be my recollection about it.

By Mr. MONROE:

Q. This quotation you understood to be a sort of sample of what the Comptroller would do in that way if he set out?—A. I took it as an intimation that it would be the best thing I could do to get out of the way; and, as I had been out of the way for some time, it struck me as a remarkable thing to make the suggestion. In reply to my letter to him, I received this second letter, in which he indicated that I had misconstrued his proposition.

By Mr. RANDALL:

Q. Were you ever connected with any bank or banking-house prior to your appointment as examiner?—A. No, sir; I was appointed bank-examiner by Mr. Clarke in 1865, and I have held the office since.

By Mr. DOX:

Q. Do you think that you could find these letters?—A. I think they are at my home, in Michigan.

Mr. H. H. SMITH said that he had press-copies of the letters, which he would submit to the committee.

WITNESS. I am satisfied that they were copied by letter-press.

By Mr. RANDALL:

Q. Did you come here to testify before the committee?—A. Not at all, sir; I am here by the merest accident. I met Mr. Chandler yesterday, and he made some allusion to these letters.

Q. Where was that conversation?—A. I met Mr. Chandler in the Senate Chamber yesterday, after the Senate had adjourned.

Q. You do not know whether Mr. Smith's letter indicated a desire simply that you should retire temporarily for the summer, and resume your place again?—A. My recollection is, that in one or other letter Mr. Smith indicated that he desired a vacation to improve his health.

Q. And that you should resume your office again?—A. I do not now remember that that was conveyed in the letter, and yet it may have been.

WASHINGTON, D. C., *March 21, 1872.*

D. F. HAMLINK sworn and examined.

To Mr. COX:

I reside in Indiana avenue, Washington City. I am a general insurance agent. I have known Mr. H. H. Smith about six years. We were clerks together in the same office in the Bureau of Currency. His character is good. His standing, intellectually, was rather above the ordinary run of clerks in the office. I received my appointment in October, 1865, and resigned shortly after the election of President Grant. I was a clerk over three years in the office.

Question. Did you ever hear anything to Mr. Smith's disadvantage as an officer?—Answer. Not at all. His duties consisted in examining bank reports and writing letters, and generally assisting the chief of that division.

Q. Was there any stain at all on his character?—A. Not that I ever heard of.

Q. What were his relations with Mr. Howenstein?—A. Very friendly, and of rather an intimate character.

Q. Do you know anything about matters in connection with Mr. Rutter?—A. No, sir; my position was a subordinate one, and hence I had no facilities for knowing much about them.

Q. Do you know of anybody in the Currency Bureau receiving money for his services aside of his salary?—A. No, sir; not personally.

Q. What do you mean by that?—A. Not of my own knowledge. I have heard statements to that effect, but I cannot swear to anything of that kind.



Q. Have you any authentic information with regard to that matter?—A. I have heard it stated that a party in Mr. Hulburd's Bureau had received money.

Q. Is it mere hearsay, or have you any information?—A. It is strictly hearsay.

Q. Will you give us the name of that person?—A. I prefer not to do so.

Q. Does that person still occupy a position in that department?—A. Yes; he is still there.

Q. What is the source of your information?—A. I prefer not to give the name of the person who told me. I should rather give the name of the person charged with receiving the money. I prefer not to answer unless I am forced to do so.

By Mr. DOX :

Q. Was the individual who communicated this to you connected with any banking institution?—A. He had been connected with a bank agency at one time. He is not now.

Q. Was he so connected at the time he made this communication to you?—A. No, sir; he was not.

Q. Have you ever had any communication with any bank officer in reference to the manner of proceeding, and the influences that control the disposition of affairs in the way of chartering banks, &c., in the Currency Bureau?—A. No, sir. I never asked the question. I never made any inquiries on the subject; but accidentally, while I was away from the city, I was spoken to in reference to the office by a gentleman who had been president of a bank, and who knew I had been connected with the office.

Q. What did he say?—A. He said it was generally understood at New York that no circulation or charter could be secured for a bank unless it was done through Mr. Hulburd's brother.

Q. Who was that bank officer?—A. I prefer not to give his name.

Q. What bank was he connected with?—A. I cannot swear to that. He had been president of a bank, but was not at that time.

Q. What bank?—A. I do not recollect the name. It was a New York bank. The party's name is Orvis.

By Mr. MONROE :

Q. Repeat what he said.—A. I met Mr. Orvis in Philadelphia, three years ago last spring, I think. During our conversation he spoke of his having been a banker. I knew of his having been a banker, although that was the first time I met him. I mentioned that I had been in the office of the Comptroller of the Currency. He then told me, speaking of things generally, that it was generally understood that no circulation could be secured, or a charter for a new bank, unless it was secured through Mr. Hulburd's brother. He simply made that statement without being asked a question. I do not know that Mr. Hulburd has more than one brother.

Q. Was he connected with the office?—A. Yes, sir. He had been cashier at one time in one of the southern banks; I think in Richmond.

By Mr. COX :

Q. Where was this conversation?—A. At the residence of Jay Cooke, seven or eight miles outside of Philadelphia.

Q. How did that conversation happen to take place?—A. We spent the night there at Mr. Cooke's house, and were talking over matters pertaining to the business.

Q. Did you go out with him to see Mr. Cooke at his residence?—A. Yes, a party of us; about twenty in all.

By Mr. RANDALL :

Q. Did you know a Mr. Perkins, or a Mr. Hussey, connected with the office?—A. I knew Mr. Perkins.

Q. What were his duties there?—A. He was shifted about from one place to another. He was at one time in the division that I was in, assisting in making out the abstracts and consolidating reports of the banks.

Q. Do you know when he left there?—A. Perhaps a little over a year ago.

Q. Do you know of his ever having offered to secure charters and circulation for banks?—A. I have no personal knowledge of it.

Q. Give us your information about it.—A. I heard that he figured a little in that direction when I was in the Bureau. After I left it I paid no attention at all to it.

Q. Figured how?—A. In the way of securing charters for banks, and matters of that kind.

By the CHAIRMAN :

Q. What do you mean by securing charters?—A. Securing them through his intercourse with Mr. Hulburd, I suppose.

Q. Anything more than simply making an application and preparing papers?—A. Being in the Bureau there, and understanding the working of the office, he was supposed to be better able to do it. This was while he was in the Bureau.



By Mr. Cox :

Q. Do you know anything to connect the Comptroller with any of these things ?—  
A. No, sir.

By Mr. Dox :

Q. Had this business any connection with Perkins ?—A. No, sir, except that Perkins was a clerk in the office, and brought into contact with the Comptroller.

By Mr. MERRIAM :

Q. Was he supposed to make an individual profit out of his connection with getting charters ?—A. Yes, sir, he was supposed to.

By Mr. RANDALL :

Q. I understand you to say that you did not know Mr. Hussey ?—A. No, sir.

Q. Do you know of his being connected, directly or indirectly, with the Currency Bureau ?—A. I do not know that I ever heard the name.

By Mr. MONROE :

Q. Would you not feel at liberty to mention the names of the persons to whom you have referred, if the committee were of opinion that you ought to give them ?—A. I would prefer not to. If the committee insist upon it, I might give the name of the person who was supposed to have received the money; but under no circumstances would I like to give the name of the party who told me, unless the committee can compel me to; although, if the gentleman were here, he would probably make no objection.

Q. What was the name of the person charged with having taken the money ?—A. Patton.

By Mr. Cox :

Q. What are his relations to the office ?—A. He is in charge of the division of redemption, I think.

Q. Is he still there ?—A. I think so.

By Mr. MONROE :

Q. For what purpose did he receive the money ?—A. I can only say that he received it for putting something through the Bureau in some way or another. I must confess that I did not pay much attention to it, except that I heard it.

Q. Were any facts stated on which this was grounded ?—A. There was no doubt of it. The gentleman who told me knows all about it, and is personally acquainted with the facts; so he told me.

By Mr. Dox :

Q. Is that gentleman in the city ?—A. No, sir. I do not know where he is.

By Mr. Cox :

Q. You had better give his name and address.—A. Even if you got the name, it would be difficult to find him, because he is shifting about from one place to another.

Q. Give us his name and his last residence.—A. I should prefer not to give it unless I am forced to do so.

Mr. RANDALL moved that the witness be required to give the name, and it was so ordered.

WITNESS. The gentleman's name who gave me this information is E. S. Turner.

Q. Was he employed in the Bureau ?—A. No, sir.

Q. What is his position and where is he now ?—A. I received a letter from him a few days ago. He was then in New York City, and was going to Philadelphia. He is vice-president of the Excelsior Life Insurance Company, of New York.

Q. You say that he spoke from his own personal knowledge ?—A. Yes. I understood him to say that he was personally aware of the fact.

Q. Tell us what he said in that connection.—A. As I said before, I felt no interest at all in the matter; but from what he said, I understood that Mr. Patton received money for giving them certain facilities as bank agents.

Q. What facilities do you refer to ?—A. I am not sufficiently familiar with the workings of that agency to give you a correct idea of the thing. It was something in connection with bonds or accounts of certain banks—something in the way of redeeming, and all that sort of thing.

Q. Did he give you any specific instance of money being paid ?—A. I think he spoke of one transaction, particularly.

Q. Narrate that.—A. Simply his receiving a certain sum in a lump at one time.

Q. How much ?—A. Four hundred dollars.

Q. From whom ?—A. From the firm of which he was a member.



Q. What firm was that?—A. I think the name was Pratt & Turner. I think they had a bank agency here in this city.

Q. You do not know precisely what the consideration of four hundred dollars was for, as stated to you?—A. No; except it was something in relation to using Adams Express at the expense of the Government, or something of that kind.

Q. Using Adams Express for the purpose of bringing on notes here?—A. I cannot answer that positively. It had something to do with the expressing of notes and bonds.

Q. With a view to enhance the profits of that express company?—A. No, sir; to enhance the profits of the agency.

Q. The special business of this firm was to be aggrandized by his action?—A. I think so.

Q. And he was to be paid for helping them?—A. Yes, sir.

Q. You cannot be more specific, can you?—A. No, sir; I have given you all the information I have.

Q. Did he undertake to connect the Comptroller with any such transaction in his conversation with you?—A. I do not think that he did. I have no recollection of that kind.

By Mr. RANDALL:

Q. Do you know whether Mr. Perkins is connected with Mr. Hulburt, either by marriage or blood?—A. I do not know that he is. They were in business together, I believe. That is the only relationship I know of. They were in the commission business in Chicago, as I was informed. This was before Mr. Hulburt came into the office as Comptroller, and before he was appointed in any capacity at all in the office.

By Mr. MERRIAM:

Q. Do you know whether Mr. Perkins was a partner of Mr. Callender, the late bank examiner in New York?—A. No, sir; I do not know; I never heard that he was.

By Mr. COX:

Q. What did you say your business was?—A. I am a general insurance agent, and one of the police commissioners for the District of Columbia.

Q. Are you connected in any way with Mr. Cooke's National Life Insurance Company?—A. I was at one time; I am not now. At the time I met Mr. Orvis, I was connected with the National Life Insurance Company. That is what threw me into connection with him. Mr. Orvis is now, I believe, president of a private bank in New York. I did hear the name of the bank, but I do not recollect it. What I mean by a private bank is, that it is not a national bank.

Q. Can you give us any other information in reference to paying money to any officer in the Treasury?—A. That is all that I know.

Q. You have not discovered anything as a police commissioner?—A. No, sir; I have not. There was some money supposed to have been stolen by a colored man; I do not know that it was.

By Mr. RANDALL:

Q. What connection has that colored man with the police?—A. He had no connection with the police that I know of, except that he was arrested. Mr. Hulburt spoke to me about putting him on the police.

Q. Was that subsequently to his being dismissed from the office as a thief?—A. I do not know that he was dismissed as a thief. He was tried for theft.

By Mr. WALDRON:

Q. How long ago is that?—A. That was perhaps three years ago. The money was lost about four years ago—something like \$12,000, I think. He applied for a position on the police force about two years ago. He was tried on two or three different occasions for the same offense, but he was never convicted, I think. The money stolen belonged to the Government. He was accused of being the person that stole it, and he was tried for it.

By Mr. RANDALL:

Q. When was he dismissed from the Currency Bureau—subsequently to his trial, before his trial?—A. I think he was removed at once.

Q. By whom?—A. By Mr. Hulburt, I think.

Q. Was he, after that time, recommended by Mr. Hulburt for a position on the police?—A. Verbally. Mr. Hulburt spoke to me in his behalf.

By Mr. HULBURT:

Q. State exactly what I said to you in that connection?—A. The colored man called upon me on several occasions, and asked whether Mr. Hulburt had seen me, and whether I would appoint him. I told him that I could not do it, because, in the first place, he was not eligible. He said to me that Mr. Hulburt had agreed to see



but I told him that I had not, up to that time, seen Mr. Hulburt. I met Mr. Hulburt accidentally in front of the Ebbitt House, when Mr. Hulburt talked to me about this colored man, asking me if he had called, and what answer I had given him. I told him, but I do not recollect exactly the words. Mr. Hulburt then said, if he was eligible, or something of that kind, whether I could not appoint him.

Q. I did not recommend him, did I?—A. Not in so many words; but I understood that, if he was eligible, you would like to have him appointed. The colored man came to me two or three times before I saw you, stating that you would call upon me.

By Mr. MERRIAM:

Q. What was your inference in regard to the wish of Mr. Hulburt after that conversation with him?—A. I was inclined to believe that Mr. Hulburt, if he had his choice about it, would have had him appointed.

By Mr. RANDALL:

Q. He did not call upon you not to appoint him?—A. No, sir.

Q. Had you any belief that this colored man was a thief?—A. I had always my belief that he stole the money.

Q. Did you tell Mr. Hulburt so?—A. I was not called upon to do so, and hence I made no such statement.

Q. Was he appointed?—A. No, sir. In the first place, he was not eligible under the law which governs appointments. In the second place, I could not have appointed him, on account of the charge which had been preferred against him.

By Mr. MONROE:

Q. Did you know that he was the person against whom the charge was made?—A. Yes. I was in the Bureau at the time he was tried.

Q. Did Mr. Hulburt know that you knew that?—A. Certainly. I was in the Bureau at the time the money was stolen, and at the time this man was tried.

Q. Then Mr. Hulburt could not have meant to conceal anything from you about the man's previous record?—A. No, sir.

Q. What was the colored man's name?—A. Shooman, I think. He was a messenger in Mr. Hulburt's office. He was first appointed, I believe, by Secretary McCulloch. He was always looked upon as an honorable, straightforward, honest man, up to the time of this charge of stealing the money.

By Mr. MERRIAM:

Q. Do you know or suspect any motive on the part of Mr. Hulburt for wishing the appointment of this man?—A. I do not.

By the CHAIRMAN:

Q. Was it money that this man was supposed to have taken?—A. Yes; notes that were ready to be shipped to the banks, but were not yet signed by the bank officers. In every other respect, they were genuine; and he was supposed to have forged the names of the bank officers.

By Mr. WALDRON:

Q. Repeat Mr. Orvis's remarks in Philadelphia about the Currency Bureau.—A. In the course of the conversation which I had with him, his former occupation came up, saying that he had been vice-president of some bank, (I do not recollect what bank.) When I told him I had been a clerk in the Bureau to which he made his reports, and I made the remark that it was generally understood in New York that no new character could be issued for a bank unless it was secured through Mr. Hulburt's brother, who was then bank examiner, or was assisting some one as bank examiner, I am not positive which.

Q. Did he specify any particular transaction of that kind?—A. No, sir, I do not think he did. If he did, I do not recollect. I have never repeated the conversation to any-one before. This occurred two years ago last summer.

WASHINGTON, D. C., March 21, 1872.

RANDOLPH F. RADEBAUGH sworn and examined.

Witness stated that he had received a subpoena from the committee to attend on Tuesday, but that, as he could not attend, on account of illness, he had written a letter to the committee, which he believed, however, had not been delivered. As that letter contained a full statement of the matter, so far as he had any knowledge of it, he should like to read it to the committee.



Permission was given, and the witness read and put in evidence the following letter :

WASHINGTON, D. C., March 18, 1872.

*To the Committee on Banking and Currency :*

GENTLEMEN: I have received your subpoena commanding me to appear before you at 10 o'clock to-morrow morning, (Tuesday the 19th instant,) "then and there to testify touching matters of inquiry committed" to you, &c. By reason of illness I shall not be able to appear; but, presuming the matter to be inquired into in this case has reference to my knowledge concerning the Hulburd investigation, I beg leave to submit the following statement, which contains all the information I am in possession of having any bearing on the case:

In the month of January or February, 1868, it was intimated to me that irregularities had occurred in the administration of the Currency Bureau which afforded strong ground for suspicion of fraud on the part of Comptroller Hulburd and a prominent clerk in his office; and I was told that Mr. H. H. Smith, then a clerk in the same Bureau, could inform me more particularly about the matter. I sought Mr. Smith, with whom I had been acquainted some years, and he confirmed the rumor, saying that he could place his hands on official documents that would prove conclusively a charge against Hulburd of mal-administration, and that he had no doubt oral testimony in that connection could be procured that would prove him to have received bribes. Mr. Smith, notwithstanding my earnest solicitations, refused to give me any details, saying that he had no right to do so, but saying also that, if I could awaken interest in the matter on the part of the proper authorities, or place him in communication with them, he would quickly make good his word to me. Relying upon his friendship for me, his integrity and judgment, as guarantees that he was both honest and correct in his suspicions; and knowing Hugh McCulloch, then Secretary of the Treasury, to be a friend to Hulburd, and having additional reasons to doubt that he would take action in the matter if it were brought to his notice, I went to General Sherman and told him the substance of my information against Hulburd, hoping that he would lay the case before the President; but General Sherman refused, saying that inasmuch as it had no connection with his department he could take no action, and properly referring me to the Secretary of the Treasury. Here the subject dropped with the exception of a few unimportant conversations had with Mr. Smith.

About the latter part of January last I met Mr. Smith at the Capitol, not having seen him for nearly three years, and invited him to call at my office. I am a newspaper correspondent, and was then engaged in assisting Mr. D. D. Cone, correspondent for the Philadelphia Public Ledger and other papers. Mr. Smith responded to my invitation by calling the evening after our meeting at the Capitol. The Hulburd matter was then reviewed, when he told me that he intended to furnish new matter for investigation, and that he had been put in possession of the report of a bank examiner upon which, and Hulburd's action with reference to it, his charges would be based. I then asked him for a copy of the report for publication, which he promised to give me. Subsequently he called at the office a second time, having with him a report made by John Bull, bank examiner, and gave me the substance of it which afterwards I embodied in a letter. I gave the letter to Mr. Cone, who dated February 5th, I think, and sent it to the editor of the New York Herald, and after about a week's delay it was published in that paper. Mr. Smith at that time stated that it was his purpose to deliver the bank examiner's report to the Committee on Banking and Currency, and that it was a fortunate thing that the report had been placed beyond Hulburd's reach, who would undoubtedly have destroyed it, had he known of the intention to arraign him before your committee on this charge. During the interview at my office, when the substance of the report was given to me for publication, as stated, Mr. D. D. Cone came in, and, after some conversation about the matter, asked Mr. Smith for a copy of the report, and from that time up to the publication in the New York Tribune of a letter on the subject, written by me, hardly a day passed without Mr. Cone's application to Mr. Smith for the report, or a copy of it, being repeated. He made persistent effort to obtain possession of the original report; Mr. Smith as persistently refused, saying that there must be no risk, and that it must be placed in the hands of the Banking and Currency Committee. In my second letter, which was intended for publication in any one of the prominent New York papers, I used certain data furnished me by Mr. Smith, together with a copy of the material portion of the report, Mr. Smith making suggestions as to a general plan for the letter, which I did not follow entirely. After I had copied the report I kept the continuation of the report, marked folio 5, for several days, and then turned it to Mr. Smith, who said that the report should at once be put in possession of the committee. Thinking that it would be an accommodation to him, as he had accommodated me, I volunteered to see the report delivered to some member of the committee, and thereupon inclosed it in an envelope, which I directed and delivered to Hon. Samuel J. Randall, his residence being most convenient for me as to distance.



Mr. Smith did not know until recently that I delivered it in person to Mr. Randall. This is the extent of my information on the subject, and, if desired by the committee, I will make affidavit to the foregoing statement.

Very respectfully, your obedient servant,

R. F. RADEBAUGH.

By Mr. RANDALL:

Question. You put that letter in as a truthful statement under oath?—Answer. Yes, sir.

By Mr. MONROE:

Q. Do you know from whom Mr. Bull's report came to Mr. Smith?—A. No, sir.

By the CHAIRMAN:

Q. You have no idea who stole it from the office?—No, sir.

By Mr. RANDALL:

Q. Are you the gentleman who met me in my own entry and delivered to me a sealed envelope which contained that report?—A. I am the person.

By the CHAIRMAN:

Q. You say in your letter that you had additional reasons for not informing Secretary McCulloch; explain what those additional reasons were.—A. I was clerk at the custom-house in New Orleans, and I had just come back from New Orleans when I met Mr. Smith. While in New Orleans I was told by officers of the custom-house that Mr. McCulloch was so involved in the sugar frauds there, or with parties interested in them, that he could not, or would not, take action to bring these parties to justice, who were engaged in the frauds, and would not investigate them. These were my additional reasons.

By Mr. RANDALL:

Q. Were those parties ever tried?—A. Perry Fuller, who was collector at the time, was tried. I do not know that the other parties were tried.

By the CHAIRMAN:

Q. You speak in your letter of Mr. Smith saying that he had been put in possession of the report of a bank examiner; did he tell you what report that was?—A. No, he did not tell me who the bank examiner was until he showed me the report.

Q. Mr. Smith did not give you the report at that time, only the substance of it?—That is all.

Q. And all this time you had not the report in your possession?—A. No, sir. Part of the time I had it in my possession. It came into my possession a few days before I sent my letter to the New York Tribune.

By Mr. HULBURD:

Q. Did Mr. Cone apply to you for it at that time?—A. Mr. Cone did not apply to me for it at all, but to Mr. Smith. He sent me to him for it. I did not intend to say that he asked me for a copy of the report. I did not keep all the report, but only the remarks on the fifth page; and these were all of the report that appeared in the letter published in the Tribune.

Q. Did you separate the tabular statement from the report?—A. I did not keep this tabular statement at all.

Q. How did they get together before you brought the report to Mr. Randall?—A. I turned it to Mr. Smith and received it from him again.

By Mr. RANDALL:

Q. And then you delivered it to me?—A. Yes, sir.

By Mr. COX:

Q. Have you any idea who got the report from the Currency Bureau?—A. None whatever.

Q. Did nobody ever tell you directly or indirectly?—A. Mr. Smith said he received it through the mail.

By Mr. MONROE:

Q. Did Mr. Smith give you any suggestion or hint as to who the person might be?—A. No, sir.

By Mr. DOX:

Q. Who is the person alluded to by you in your letter as the prominent clerk in Mr. Hulburd's office, against whom suspicion was directed?—A. Mr. Howenstein. Mr. Terry is the gentleman from whom I received information that these irregularities existed.



By Mr. RANDALL :

Q. What were your relations to Mr. Howenstein?—A. I have known him for ten years; we were room-mates and intimate friends.

Q. Did you know anything in regard to his connection with the Currency Bureau?—

A. I understood that he was chief clerk in the division of reports in the Bureau.

Q. Do you know of his ever having received any compensation other than his legitimate salary?—A. No, sir; I do not know.

By Mr. MONROE :

Q. How were you impressed by this expressed suspicion of Mr. Terry? Was your mind affected by it?—A. About that time Mr. Howenstein went West, I think, to examine a bank, and he seemed to have a good deal of money. I think he told me he had about \$800 or \$1,000—a large sum, and more than I knew he could save from his salary. The thought occurred to me, or was suggested to me by the circumstance, that he must have had an unusual way of making money fast. That is all I know about it.

By the CHAIRMAN :

Q. Was he carrying this money West with him?—A. No, sir. When we were in Columbus he was incumbered with a considerable debt, for a young man, and he talked a good deal about relieving himself from that burden. I did not see very well how he could do it in the time and accumulate this sum of money from his salary.

Q. Did anybody suggest to you, or was it a matter of conversation, that the publication of this report in the Tribune might lead to an examination and detection of who had stolen it, or that it would be dangerous to have it in your possession or Mr. Smith's?—A. No, sir; I do not recollect anything of that kind.

Q. Did it occur to you at all that the communication in the Tribune, evidently containing a part of the report, would be likely to lead to an investigation, as who ever wrote that article must have had access to the report which had been stolen?

A. Certainly, I knew that that must be very plain to anybody.

Q. Did it not occur to you, therefore, that it would be better to send it back, and not have it found in your possession or Mr. Smith's?—A. No, sir; I did not think there was any danger in it, or anything wrong about it.

Q. Not to have stolen papers?—A. I did not know that it was stolen.

Q. You knew that it belonged to the Department?—A. Certainly.

Q. And you must have understood that it was stolen from the files of the Department. It could not be properly in Mr. Smith's possession.—A. It was sufficient for me to know that he had it, and that it ought to go to the public, and I took it for that reason. I knew that it was done for a good purpose—that whoever stole it did it for a good purpose. The end in that case justified the means.

TUESDAY, March 26, 1872

On motion of Mr. Monroe, the following resolution was adopted:

*Resolved*, That from the evidence taken thus far before the Committee on Banking and Currency, in regard to the failures of national banks, it is the judgment of the committee that the successful management of the Currency Bureau requires a change in the officer at the head of the Department.



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